

JPRS-EER-89-120  
1 NOVEMBER 1989



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***JPRS Report***

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

# **East Europe**

**DTIC QUALITY INSPECTED 3**

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

19980528 152

# East Europe

JPRS-EER-89-120

## CONTENTS

1 NOVEMBER 1989

### POLITICAL

#### CZECHOSLOVAKIA

Party Reemphasizes Role of National Front [RUDE PRAVO 20 Sep] .....	1
---	---

#### HUNGARY

FIDESZ Reproached for Intemperate Comments [NEPSZABADSAG 16 Sep] .....	2
Justice Ministry Official Views New Election System [NEPSZAVA 20 Sep] .....	2
'Death to Communists,' Teenagers Shout at Election Headquarters [NEPSZAVA 5 Oct] .....	4
MSZMP Critical of Janos Kadar Association [MAGYAR NEMZET 26 Sep] .....	4
Border Guards Caught Smuggling GDR Refugees [NEPSZAVA 20 Sep] .....	4
Police Try To Garner Confidence of Populace [MAGYAR NEMZET 26 Sep] .....	4
Workers Councils To Be Recognized as Trade Unions [HETI VILAGGAZDASAG 23 Sep] .....	5
Council Agrees To Pay Damages to Labor Camp Victims [MAGYAR NEMZET 26 Sep] .....	5
New Office of Refugee Affairs Established [HETI VILAGGAZDASAG 30 Sep] .....	6
Mindszenty Burial in Hungary Sought [NEPSZAVA 19 Sep] .....	6
Budapest Mass Transit Near Bankruptcy [MAGYAR NEMZET 26 Sep] .....	6
Hungarian History Taught in Soviet Lower Carpathia [NEPSZAVA 22 Sep] .....	7

#### POLAND

Urban Discusses 'Reform Elitism,' Threats to Government, PZPR [KONFRONTACJE Jul-Aug] .	7
Parliamentary Deputies; Party, Mainstream Identity Crisis [PRAWO I ZYCIE 16 Sep] .....	9
8 July Initiative; PZPR Reformers Seek New Party Identity	
[PRZEGLAD TYGODNIOWY 17 Sep] .....	12
Provincial Leaders React to Mazowiecki Appointment [POLITYKA 2 Sep] .....	15

### MILITARY

#### POLAND

'Myth' of Unlimited Reserves in Defense Industry Refuted [ZYCIE WARSZAWY 15 Sep] .....	18
--	----

### ECONOMIC

#### GERMAN DEMOCRATIC REPUBLIC

Statistics Provided on Rail Electrification [EISENBAHNPRAXIS Jun] .....	20
---	----

#### HUNGARY

U.S. Investment Company To Purchase Hollahaz Porcelain [NEPSZAVA 21 Sep] .....	22
U.S.-Hungarian Enterprise Fund Progress Report [FIGYELO 28 Sep] .....	22
Soviet, Czech Efforts To Reduce Hungarian Trade Surplus [NEPSZABADSAG 30 Sep] .....	23
Unified Foreign Exchange Account First Week Status Report [FIGYELO 28 Sep] .....	23
Socialist-Sector Investments During First Half of 1989 Reported [FIGYELO 21 Sep] .....	24
Economic Chamber Opposes Party Presence in Enterprises [NEPSZAVA 19 Sep] .....	26
Workers' Council Formed at RABA-Mosonmagyaróvár [NEPSZAVA 26 Sep] .....	26
Stock Purchase Plan To Spur Agricultural Production [NEPSZABADSAG 4 Oct] .....	27

POLAND

Dalimpex: Organizer, Adviser on Leasing, Joint Ventures	[RYNKI ZAGRANICZNE 20 Jul]	.....	28
Credit Denial to Joint Stock Company IGLOOPOL Explained	[TRYBUNA LUDU 7 Sep]	.....	29
Possibility of Petroleum Reserves in Rzeszow Voivodship Noted	[TRYBUNA LUDU 7 Sep]	.....	29

## CZECHOSLOVAKIA

### Party Reemphasizes Role of National Front

249000198 Prague RUDE PRAVO in Czech  
20 Sep 89 p 1

[Editorial: "Alliance Based on the Principles of Political Cooperation"]

[Text] During the past week, the presidium of the CPCZ Central Committee discussed further development of cooperation of the CPCZ with the other political parties of the National Front. This can be learned from the report of the meeting of the presidium, published on Friday. It stated that it approaches this cooperation and will continue to approach these parties as its allies, independent entities in the creation, realization, and control of the policies of the National Front. It emphasized that the CPCZ, from the center to the basic units, is developing an alliance with them based on the principles of mutual respect and common search for ways to resolve current problems and carry out the tasks of restructuring and democratization. This political cooperation presumes regular meetings of the leading functionaries of the National Front parties to discuss basic questions within the framework of the federation and territorial agencies.

During the process of restructuring the economic mechanism, the process of democratization in our society is deepening, which understandably concerns the entire political system. The key place in it belongs to the National Front as its tried-and-true base.

Among the first documents which our party adopted to support the restructuring was the one which gave impetus to the activation of the National Front and the organizations associated in it. Lately, the first steps toward the realization of this document have been taken. More care is given to having the National Front express by its activities the views, interests, and needs of members of the individual parties and social organizations, and to increasing their participation in the making of decisions about public affairs, in management, and administration. To having democracy deepen also in the inner life of the organizations and agencies of the National Front and strengthening the independence of its basic units.

But the course that was set must be followed more resolutely. We cannot be satisfied with many facts. After all, much of what we know attests to the fact that the importance and mission of the National Front, especially in the creation and realization of policy, is still not fully understood. As communists we must admit frankly to ourselves that in many members as well as in party functionaries both at the regional and district level, there remains a certain distrust toward those without party affiliation and members of other parties, which shows up mostly in the area of cadre policy. To cling to such a position would be highly unproductive and wrong. It would lead to a discordance between words and actions,

because in the party documents is laid down the principle to more frequently and more boldly elevate to responsible positions nonparty people and members of other political parties. That was clearly formulated at the 7th and 8th Plenums of the CPCZ Central Committee. To accept these principles in words but not implement them in practice—that would be against the policy of our party.

Strengthening the role of the National Front as the base of socialist diversity of views and interests is not some tactic of the CPCZ, it is a matter of strategy of its policy. It is also one of the basic lessons from our historical development since the nation-liberating struggle and the entire era of building socialism, as well as from developments in other socialist countries. The richness of the structure of the National Front, the multitude of parties and organizations affiliated in it with the varied social characteristics of their members is, after all, a great virtue of our political system, which we must utilize far better at all levels.

As the general secretary of the CPCZ Central Committee, Comrade Milos Jakes, said last week at the nationwide conference of leading secretaries of the regional and district CPCZ committees, it is necessary to purposefully and consistently renew and strengthen the unity of the people everywhere, to bring the party and citizens together on the basis of a socialist social order. Our main principle must be to decide together with the people and for the people. In that also lies the essence of socialist democracy.

In our society live people of different world views, different political and religious convictions. That is the reality from which we proceed. We are supported by the fact that a great, unifying element exists in this country. It is the devotion of these fellow citizens to their socialist fatherland, their effort to participate in its improvement and development, and thus share also in joint responsibility for the future fate of our country.

It is in the tradition of our party that it always knows how to gain allies and broad strata of people for its policies. They must generate all the more effort now, when we set out on the road to restructuring and democratization, when we meet new tasks and new phenomena, when we are simply working under new conditions.

There are many things which we must and will do together. That is what makes important the decision of the recent presidium of the CPCZ Central Committee, as we already mentioned in the introduction, to put into practice regular meetings of the leading functionaries of the CPCZ and other political parties to discuss basic questions and apply this practice also in territorial party agencies. As a matter of fact, uniting our forces, coordinating our steps on the ground of the National Front, should become general practice.

But we start with the idea that the National Front is a political system tested and proven over many years, that

it answers the life interests of our people. We are convinced that it can depend on the majority of honestly thinking and acting people, who wish to live and work under socialism, that these people are found not only in our party but in the entire National Front. Together with them we shall implement the policy of restructuring and democratization. Once again, our main principle must be to decide together with the people and for the people.

## HUNGARY

### FIDESZ Reproached for Intemperate Comments

90EC0019a Budapest NEPSZABADSAG in Hungarian  
16 Sep 89 p 1

[Text] The new round of midlevel political mediation in Parliament began yesterday with a critical statement concerning election speeches delivered by two members of the Alliance of Young Democrats [FIDESZ] in Zalaezség.

As a representative of the Association of Hungarian Resistance Workers and Antifascists, Istvan Darvas stressed that he could not remain speechless about matters mentioned in the Southern Dunantul city "in the name of an election speech." Darvas said that in the course of roundtable negotiations a parliamentary tone of voice always prevailed, and expressed hope that this will continue in the future. Without mentioning the names of Viktor Orban and Zsolt Nemeth, Darvas pointed out that the two young men had delivered a speech which glowed with hatred, had an inciting effect, and created a pogrom mood. This was done by one of the FIDESZ leaders and his associate, at a time when talks in Parliament are about tolerance and acquiescence, and when conditions for a peaceful transition are being discussed. Let us recognize the fact that the Opposition Roundtable and the parties running in the election will have both their moderates and their outranciers, to use the French term, Darvas stressed. (The term means: extremists. The ed.) Darvas did not use the Hungarian expression, because, as he said, "it could be considered potentially offensive." Inciting hatred, hatred itself, and incitement awakens the worst instincts, and incites the most vulgar emotions, as the representative of the Association of Hungarian Resistance Workers and Antifascists warned.

The Opposition Roundtable heard the statement but did not comment on it. Representing FIDESZ at the meeting, Laszlo Kover emphasized that reports appearing in the press "were not authentic," because "Communists ought to be pounded into the ground at the elections," with emphasis on "elections." At this point Zoltan Gal (Hungarian Socialist Workers Party [MSZMP]), the chairman of yesterday's mediation talks, asked to be heard. He said that the emphasis was neither on the elections nor on ground, but rather on the term "pounding."

Thereafter Imre Pozsgay, head of the MSZMP negotiating delegation, took the floor. The politician stated that the three-member committee assigned to the agenda of the negotiations has not yet begun its work. This body was charged to reach an agreement as to the interpretation of the term "consensus." Pozsgay read a letter he sent to the other two negotiating parties. This letter revealed that the fact of having reached consensus must be announced by the plenary session scheduled to convene on 18 September, on the basis of work produced by the midlevel political mediation committee. The establishment of a consensus is based on a global agreement, as the MSZMP delegation has stressed several times during the negotiations. A final consensus can be announced only if there is full, general agreement as to the standard text of legislative proposals. If two kinds of positions are stated with the agreement of the other parties, meaning that their positions are stated, and if no consensus is reached even at the plenary session, then the government is obligated to present the legislative proposals to the National Assembly following the plenary session, supplemented by materials produced in the course of negotiations.

Thereafter Istvan Somogyvari (MSZMP) submitted two alternative proposals on behalf of working group I/1 charged with the development of changes in the constitution. These pertained to the inclusion of communal property as part of the constitution. The Third Side supported the idea that communal property be supported by the state. In contrast, the Opposition Roundtable's proposal sounded like this: "The state recognizes the establishment and functioning of the property of producers' autonomy and self-governance." The Opposition Roundtable regarded this variation as a compromise. Debate concerning the subject was continuing at press time.

### Justice Ministry Official Views New Election System

25000481b Budapest NEPSZAVA in Hungarian  
20 Sep 89 p 4

[Interview with Dr Andras Hollo, Ministry of Justice main division head, by Agnes Peredi: "Dilemmas Facing Voters"; date and place not given]

[Text] In the context of election laws, every technical issue is also a political issue. These days, when an entirely new election system is taking shape, it is indispensable for citizens to familiarize themselves with the practical details and contexts. We asked Dr Andras Hollo, Justice Ministry main division head, to help us on this issue.

[NEPSZAVA] As a lawyer, what is your view of the agreement that resulted from the trilateral roundtable negotiations?

[Hollo] I believe that the most legitimate consensus to enable a future parliamentary democracy has been reached. Certain public law decisions must be made

since political decisions have been reached. A draft legislative proposal has already been prepared.

[NEPSZAVA] What kind of practical knowledge could voters acquire from all this?

[Hollo] First of all, pursuant to the present agreement, the earlier system of individual voting districts will be combined with elections based on slates of candidates. A total of 374 parliamentary mandates may be acquired. Of these, 152 are based on individual nominations, 152 on nominations by way of slates of candidates, and 70 representatives may be elected on the basis of a national slate. There are three ways to nominate a candidate. Any citizen may nominate a candidate by collecting signatures for the nomination of a certain candidate. To run as a candidate, 750 signatures are needed. The law even permits a person to gather signatures on his own behalf. In addition, candidates may be nominated by parties and by social organizations which function as so-called parties running in the election. Voters will receive two ballot forms at the polling place. One will contain a list of individual candidates, i.e. individual candidates as well as the candidates of parties. The other ballot form will contain the slates of candidates nominated by the various parties. The sequence in which the various parties are listed on the ballot form will be decided by the election committee on the basis of a lottery. But the sequence in which individual names are listed within a given party's slate is the internal affair of each party. Quite obviously, this will be determined by the relative political significance of the candidates. When voting for slates of candidates, voters do not vote for individual names, but for parties.

[NEPSZAVA] What could a citizen do if when voting for a slate he finds names of candidates he does not like, even though the voter would be inclined to accept the program of the given party? This question may be topped by another one: What if the voter finds a candidate he likes, but is unable to identify with that candidate's party? How could he decide?

[Hollo] That is an eternal dilemma which also occurs frequently in Western European election systems. For example, not too long ago the citizens of an Austrian village voted for the communist candidate, even though they supported the Populist Party. They did so, because the communist candidate did the most for their settlement. Similar situations are conceivable in Hungary. For this reason the best thing to do is for citizens to cast votes for the person they like best from among the individual candidates. In contrast, however, when voting for slates of candidates they should be guided by the sponsoring party's program, independent of the possibility that one or another candidate listed on the slate is not appealing to the voter. A peculiar situation in which a given candidate's name appears four times may also occur. His name may be listed by his own election district, on two area lists, and on the national list. The party involved takes the risk. It must decide whether it is or is not useful to list someone's name many times, or if they do list

someone's name several times, whether they are defeating their own purpose.

[NEPSZAVA] What rights do citizens have in the election campaign?

[Hollo] Every citizen has the right to collect signatures, to organize a campaign, to present arguments, or even to protest individual candidates. They may obtain signatures needed for nomination anywhere without harassing citizens, although certain legal prohibitions exist. Signature collection is prohibited at workplaces, in mass transportation facilities, at the armed forces while on duty, and in patient units of health care institutions.

[NEPSZAVA] It was noticed in some of the recent interim special elections that relatively few people exercised their right to vote. In what way does the new system deal with this matter?

[Hollo] The mandate is decided if more than half of the eligible voters of a given district cast votes, and if a given candidate receives 50 percent of the valid votes cast. If 50 percent of the eligible voters do not vote, that round of elections must be declared invalid. A second round of elections is successful if at least 25 percent of the eligible voters casts votes, and in this case even a relative majority of the votes is capable of awarding the mandate. In other words, the person receiving the largest number of votes becomes the representative. A situation in which the first round of elections is valid, but which did not produce results is also conceivable. This occurs when none of the candidates receives the appropriate proportion of votes cast. In such situations three candidates may run in the second round of elections: the ones who received the highest number of votes. Of these three candidates, the one receiving the highest number of votes will be the winner.

[NEPSZAVA] Hungarian history is not the only one to record election fraud. One also finds examples in international political life. What protection does the draft legislative proposal provide against abuse?

[Hollo] We are trying to prevent election abuse by incorporating appropriate legal guarantees. One such guarantee is that the first voter to cast his vote in a polling place will certify the ballot box. Another important guarantee is that the polling committees and the so-called election committees include representatives of the parties running the various candidates, and so are the representatives of independent candidates. These people will vigilantly observe developments. In addition, elections are held under the supervision of the judiciary. Even the nominating slip was formulated in a manner so that a person may nominate only one person. Accordingly, I believe that the law has done everything it could to assure the purity of elections.

**'Death to Communists,' Teenagers Shout at Election Headquarters***25000486c Budapest NEPSZAVA in Hungarian  
5 Oct 89 p 5*

[Unattributed article: "Incident at MSZMP Election Center"]

[Text] A few teenagers scandalized organizers at the Hungarian Socialist Workers Party [MSZMP] election center last night. Valeria Konya, Budapest Party Committee associate and one of the election center duty officers on Tuesday, had this to say:

"Ten or 13 teenagers entered the Villanyi Street building at about 2000 hours. I asked where they were going. They said they were heading for the Old Boys concert. Meanwhile they grabbed bundles of propaganda material placed on the counter to announce programs of the house [as published]. They went on toward the concert hall, but they did not go through the door. Instead they began throwing the papers in the air. My associate and I told the teenagers to stop their activity. They did not stop, so my colleague showed them out of the building. The group returned a few minutes later. This time throwing around and tearing up propaganda materials did not suffice. They began shouting: "Death to communists, you are to be blamed for bringing the country to the point where it is." The teenagers left after a brief rage. We were very shocked by the incident and frightened to some extent. Fortunately the situation did not deteriorate, and nothing was destroyed. In any event, we decided to strengthen our staff by increasing the number of persons on duty.

**MSZMP Critical of Janos Kadar Association***90EC0017b Budapest MAGYAR NEMZET in Hungarian 26 Sep 89 p 3*

[MTI report: "MSZMP [Hungarian Socialist Workers Party] Presidium's Statement"]

[Text] The MSZMP Presidium has learned from the press, in the same way as the general public, that several individuals intend to form a Janos Kadar Association, and that they, claiming Janos Kadar's ideological and political legacy, are sharply criticizing and even fundamentally questioning the present policy of our party.

The leaders of the MSZMP have duly appreciated, even up to now, the activity of Janos Kadar as a politician of great stature. In the absence of a suitably long perspective and thorough historical analysis, however, we believe that no one, no single orientation, has the right to expropriate Kadar's legacy.

Therefore, we condemn any attempt to recruit supporters by stirring up aggressive passions and anonymous initiatives. At the same time, the presidium rejects the libelous statements against leading politicians of our party.

**Border Guards Caught Smuggling GDR Refugees***25000476d Budapest NEPSZAVA in Hungarian  
20 Sep 89 p 12*

[Text] On the basis of a report submitted by Border Guards authorities with jurisdiction, the Gyor Military Prosecutor's Office has initiated criminal proceedings against nine enlisted men of the Magyarfalva troop of the Sopron Border Guard District, on grounds of suspicion that these men were engaged in the smuggling of persons.

The border guards involved in the proceeding violated their official duties by aiding citizens of the GDR in illegal border crossings, and received substantial financial reward for their act. On the basis of facts revealed thus far, five border guards were ordered under preliminary detention. The remaining four were removed from the troop and assigned to a different location. They are not permitted to perform armed duty, and until their role is clarified they are not permitted to leave the confines of their barracks.

**Police Try To Garner Confidence of Populace***90EC0014B Budapest MAGYAR NEMZET in Hungarian 26 Sep 89 p 3*

[MTI report: "Open Meeting About the Police; To Allay Mistrust"]

[Text] Do policemen listen to telephone conversations or censor letters? When will it be announced how many weapons are in private hands? Would the police execute an order to reestablish the old order? Among those who volunteered for police work, did the MSZMP members receive favorable consideration? Among others, these were the questions posed Monday night [25 Sep] at a conference, organized at the initiative of the Csongrad County branch of the Patriotic People's Front [PPF], during which Sandor Barna, Csongrad County's police chief, answered questions.

Before anything else, the police chief expressed his hope that this meeting, conducted in the presence of representatives from various political organizations and movements, would strengthen the residents' understanding and would contribute to eliminating their mistrust of the police.

While emphasizing that he was not at the forum as a political leader or executor, the police chief answered some questions related to timely political issues. He stated the thought-provoking fact that in Csongrad county the policemen "run around" in Lada automobiles that have been driven over 200,000 km. Their salaries are so low that there is no hope of recruiting enough new policemen to fill the ranks.

## Workers Councils To Be Recognized as Trade Unions

25000476a Budapest HETI VILAGGAZDASAG in Hungarian 23 Sep 89 pp 6-7

[Text] In the opinion of the Office of the Supreme State Prosecutor, the rights to which trade unions are entitled are also due to workers councils being formed. Following the establishment of the Herend Workers Council (HVG 16 Sep 89) the management of Herend Porcelain Works asked the Office of the Supreme State Prosecutor to render an opinion as to whether the enterprise may recognize the workers council as a trade union. Despite the prosecutor's letter addressed to the porcelain factory's legal counsel reproduced below, the Builders Trade Union did not acquiesce on trade union rights accorded to the workers council. As we learned at the Office of the Supreme State Prosecutor, the branch trade union is petitioning the prosecutor's office to examine whether the Herend Workers Council was registered at the court in a manner consistent with applicable rules. An opinion from the Office of the Supreme State Prosecutor is pending.

"Office of the Supreme State Prosecutor General Oversight and Civil Law Main Division Chief, Division on Labor and Cooperative Law and Business Affairs

"Ref: 18-0-0-1989 Afl. [abbreviation unknown] No 1796/1989

"Dr Istvan Henger, Legal Counsel, Herend Porcelain Works Herend

"In response to your written and oral request from the Office of the Supreme State Prosecutor for a prosecutor's opinion as to whether the factory may accept the workers council as an organ with the attributes of a trade union, I am informing you as follows:

"On the basis of the available documents, it appears that on 21 August 1989 the Veszprem County Court issued Ruling No Pk. 20.757/1989 and registered the social organization called the "Workers Council 1989 of the Herend Porcelain Works," domiciled in Herend. Registration No 394. There was no impediment to the registration pursuant to the Civil Code of Laws and to the provisions of Law No 2 of 1989 concerning the right to associate.

"The workers council's bylaws leave no doubt that the purpose of the workers council is to provide interest representation to the workers of Herend Porcelain Works, and to protect workers' interests specified in the Law on Labor and in the enterprise Collective Agreement.

"Judging by the provisions of the bylaws, the workers council which has the support of nearly 1,400, or 70 percent, of the workers at Herend Porcelain Works, is a legally registered organization representing interests. In essence, this new kind of independent, democratic

interest protecting organization is an independent trade union, even if the bylaws do not expressly state this.

"Paragraphs 10/A through 10/C of the Law on Labor, as amended by Law No 5 of 1989, authorize workers to participate in enterprise management. This authority may also be exercised directly by the community of workers. Unquestionably, Paragraph 11 of the Law on Labor authorizes trade unions to protect workers' interests, but simply a difference in designation along with identical substances and goals must not cast doubt upon the functioning of a workers council or some other interest protecting organization formed under a different name. An opportunity to settle possible collective disputes is provided under Paragraph 66/A of the Law on Labor.

"Since, realistically, one must count on the establishment of workers councils and interest protecting organizations under a different name, in a manner consistent with the above principles the issue is being reconciled with supreme authorities in the interest of developing uniform practices, according to the State Wage and Labor Affairs Office. Guidance will be provided as a result of this effort.

"In consideration of the above, it is my view that the interest protecting organization established at the enterprise in the form of a workers council must not be impeded in the exercise of its rights, and enterprise management will proceed appropriately if it maintains its relations with this organization at a level equal with relations maintained with the official trade union.

"Budapest, 8 September 1989

"Respectfully: (Dr Karoly Beck) deputy main division head prosecutor"

## Council Agrees To Pay Damages to Labor Camp Victims

90EC0014A Budapest MAGYAR NEMZET in Hungarian 26 Sep 89 p 3

[Article by i. j.: "Compensation After 30 Years"]

[Text] On 19 July, 1950, a group of monks and nuns were seen in front of the local church in Hatvan. Soon they were surrounded by a crowd. Authorities classified this as a demonstration. Was it a provocation planned in advance (as many people believe) or did the AVH [State Security Authority] take advantage of a tempting opportunity? One thing is sure: That night 33 railroad employees were arrested and taken away. They returned home after 3 years (if ever), from the Recsk labor camp. Their families were deported to the Hortobagy, their homes, furniture, and possessions were given to others.

Those people who were persecuted had to wait 36 years before they could receive compensation for their suffering. Monday the town council of Hatvan discussed an



appeal made by the local branch of the Recsk Association, in which 20 families asked the council to render moral and financial restitution to those who had been innocently persecuted. It soon came to light that the council members, who had previously made inquiries among the local residents, concurred with the need for moral restitution. As for the financial compensation, several proposals were made. Representatives of independent political organizations even suggested that the victims be compensated from the properties of the MSZMP [Hungarian Socialist Workers Party]. Several speakers said that even after so many years the facts must be faced; they demanded that the victims receive partial payment by 31 December, with the remaining half of their compensation to be made by 31 March.

In the end, the council decided to order, starting this week, the payment of 10,000 forints per family from their discretionary funds. In order to decide on further compensation, a separate committee was created which will contact the Ministry of Internal Affairs, in order to find out if the council can be reimbursed for some of these sums. Members of the council also decided to have a plaque installed on the wall of the Ujhatvan church, to honor the memory of those who were deported to Recsk or to the Hortobagy.

#### **New Office of Refugee Affairs Established**

*25000486a Budapest HETI VILAGGAZDASAG in Hungarian 30 Sep 89 p 7*

[Text] The Presidential Council decided last Friday that, consistent with the Geneva Convention on Refugees, beginning on 15 October a new office on refugee affairs rather than the police will handle the problems of escapees to Hungary. According to the new decree with the force of law, persons applying for refugee status must prove that they were persecuted in their home country for political (religious, nationality) reasons. The first permanent refugee camps will open at Hajduszoboszló and at Békéscsaba in October. Local organs at those camps will render decisions of first instance concerning the granting of refugee status. The Office of Refugee Affairs within the Ministry of the Interior will be the authority of second instance. The decisions of that office are subject to judicial review. Aside from a few exceptions, persons officially declared as refugees will enjoy the same rights as Hungarian citizens. On the other hand, refugees will not be eligible to vote, they will not be subject to obligatory military service, and they will not be able to hold offices which require Hungarian citizenship. The construction and furnishing of the receiving stations will cost a total of 500 million forints. Half of this amount will be paid by the Hungarian state, the other half will be covered by the UN High Commission on Refugees. Camp operations are expected to cost about 100 million forints per year. At present about 20,000 escapees from Romania stay in Hungary. Of these 2,500 are Romanian, and 800 are of German nationality. But more than a quarter of those who arrived recently are of Romanian nationality.

#### **Mindszenty Burial in Hungary Sought**

*25000476e Budapest NEPSZAVA in Hungarian 19 Sep 89 p 10*

[Text] The Hungarian Radical Party [MRP] held its congress on 16 September. The membership adopted the party's ideology, economic program, and organizational and operating rules.

The congress resolved that the MRP should join the 23 October Committee and that it should offer its assistance to prepare for the appropriate celebration of the revolution. The MRP supports the Mindszenty family's request that Hungary's primate and archbishop rest on Hungarian soil. The MRP recommends that the Hungarian episcopacy ask Pope John Paul II to celebrate the funeral mass.

#### **Budapest Mass Transit Near Bankruptcy**

*90EC0017a Budapest MAGYAR NEMZET in Hungarian 26 Sep 89 p 3*

[MTI report: "Mass Transit Near Bankruptcy, Budapest Municipal Council's Executive Committee Finds"]

[Text] The planned expenditures in the Budapest Transportation Enterprise's budget for this year are about 1.0 billion forints less than last year, and the cuts in the output of transportation services that this has necessitated are already evident. If further budget cuts are to be introduced, the city's mass transport will go bankrupt; this was established by the Budapest Municipal Council's Executive Committee at its Monday [25 Sep 89] meeting, on the basis of a report submitted by the BKV [Budapest Transportation Enterprise].

In the opinion of the committee, the BKV has temporarily solved the rising problems through schedule changes and by regrouping its rolling stock. But this situation cannot be maintained any longer, because essential capital investments have been postponed. Too much has to be spent on the technically obsolescent rolling stock, and this the BKV can no longer afford. Therefore it is being forced to sharply cut its output of transportation services.

The committee approved the draft of a municipal ordinance on pedestrian malls and on the zones in which parking is restricted. The draft ordinance adds to the list of pedestrian malls the middle third of District V, the Varnegyed [Castle Hill District], the Fő tér [Main Square] in Óbuda; the Margitsziget [Margit Island], the Városliget [Town Park], the Népliget [Public Gardens], and the Normafa area. According to the draft ordinance, motor vehicles will need a special permit to enter these pedestrian malls. Parking in restricted parking zones—certain parts of Districts V through IX—will be permitted only for a parking fee or on the basis of a resident's or institutional parking permit. Traffic wardens of the Budapest Municipal Inspectorate of Public Lands will have the authority to fine the operators of motor vehicles that enter a pedestrian mall without a

permit or are parked illegally in a restricted parking zone. The clamp will be a new enforcement tool at the traffic wardens' disposal; according to the draft ordinance, however, the traffic wardens will not be allowed to clamp the wheels of cars bearing DT [CD] license plates.

The executive committee approved plans to build a new psychiatric ward on the grounds of Karoly Robert Ring Hospital and Outpatient Clinic, and to establish one catering plant each at Janos and Istvan Hospitals and Outpatient Clinics, in the first half of the 1990's.

The committee decided that a new plant must be designated for the disposal of hazardous wastes originating in the health service.

The members of the committee heard a report summing up the experience of a recent invitation for applications to claim vacant housing units. Of the 68,700 eligible housing applicants on record, only between 9,000 and 10,000 were interested in claiming one the 863 vacant housing units. This is lower than the preliminary plan's estimate, but the reasons for the lack of interest are understandable: 74 percent of the vacant housing units were one-room units; and 53 percent had a lavatory but no bath, or they lacked other modern conveniences.

#### **Hungarian History Taught in Soviet Lower Carpathia**

25000481c Budapest NEPSZAVA in Hungarian  
22 Sep 89 p 3

[Text] The TASS Soviet news agency reports that the teaching of Hungarian history has begun in the Hungarian schools of Lower Carpathia. A textbook for the new subject was prepared by the Hungarian Center which operates as an adjunct to the University of Ungvar, and by working groups of the Ungvar area educators' continuing development institute.

As part of the news report, TASS summarized the cultural opportunities available to the Lower Carpathian Hungarian minority. According to this summary, 80 Hungarian language grade schools are available to the Hungarian speaking population in the area (170,000 persons, 14 percent of the population). A Hungarian cultural society and several Hungarian debating societies operate in Lower Carpathia. In addition, they are planning to establish a Hungarian theater of performing arts. Students using the Hungarian language as their native tongue who recently began their studies at the Kiev academy of performing arts will be the founders of the theater.

The Lower Carpathian television and radio broadcast part of their local programs in the Hungarian language. Hungarian newspapers and books are published. If so requested, applicants to the Ungvar University Hungarian language and literature teaching department may take their entrance examinations in Hungarian.

#### **POLAND**

#### **Urban Discusses 'Reform Elitism,' Threats to Government, PZPR**

90EP0044b Warsaw KONFRONTACJE in Polish  
No 7/8, Jul-Aug 89 pp 14-16

[Interview with Jerzy Urban, journalist and politician, by Jerzy Papuga; date and place not given]

[Excerpt] [KONFRONTACJE] [Passage omitted] You are known as a politician of the elites. Could you assess the political elites active in our society?

[Urban] In my political thinking I am not a man of the elites, although I agree that my activities, including even public ones, have been of a deskbound rather than an orator-at-a-rally nature. For I am an adviser and a presenter rather than a people's tribune, though I am no "courtier" and no parlor politician. I do not engage in intrigues and conspiracies within the ruling circles. There is no political movement without an elite of its own. The anarchists wanted their movement to be free of such an elite, yet it also had its own ideologues, leaders, and organizers, that is, its own elite. Nowadays we are in a situation in which old political forces are dying and new ones arising and all the traditional elites, including the extremist groupings, are changing politically.

[KONFRONTACJE] So that you may not evade the question with generalities, let me ask you to assess the political phenomenon operating under the name "the proreform elite."

[Urban] "The proreform elite" is a highly useful concept to the self-promotion of various persons declaring that they support the reform. Nowadays everyone is a reformer and calls himself so, which points to a natural need of politicians to "perfume themselves" before public opinion, because that opinion reacts positively to proreform declarations. Thus, this concept is used by individuals as a way of qualifying themselves politically. Under this general guise are hidden reformers and antireformers, conservatives of various hues, nationalists, and in general people of the most diverse political shades. Speaking of a "proreform coalition" means uttering a glittering generality, just as they used to speak of "the moral-political unity of the nation" in Gierek's times. The coalition will be formed by persons united in their desire to support reforms in particular rather than by crowds of supporters of love for reforms in general.

I believe that the current alignment of political forces will change, that processes of exploration of a renewed identity, splits and mergers of various groupings, the making and breaking of alliances, etc., will take place.

[KONFRONTACJE] Would you mind assessing the opposition?

[Urban] I think that soon major infighting and internal divisions will begin within the opposition. They had

succeeded in achieving a surprising unity and rallying round their leadership elite, but this is bound to be temporary. Nowadays the leadership of the PZPR is more dependent on the entire party aktiv than the Solidarity elite is on its grassroots followers.

[KONFRONTACJE] A comparison of the Messner and Rakowski governments would be, of course, in favor of the latter.

[Urban] Messner's government was the first to adopt economic reforms, preliminary as they were; it tailored them to the possibilities and, wherever calculations showed these possibilities to be limited, it limited the reforms. The approach it adopted consisted in a bold reform vision (e.g., the second stage of the reform) followed by implementation decisions which curtailed and, properly speaking, nullified the general purpose of the reforms. As for its economic policy, it consisted in random intervention whenever some major problem came up. Thus, its economic policy adopted only the vocabulary of the reform and the legal instruments for intervention while paying lip service to implementation. Rakowski's was the first government to move radically and integrate the reform with economic policy and ongoing governance. It did not succumb to the pressures of the existing situations. It deserves credit for changing the foundations of the entire economic system, including the structure of ownership, isolating the economy from the traditional ideological shibboleths, and preparing the legal foundation for the present-day political pluralism—it was Rakowski who had at the 10th Plenum laid the political foundation for trade-union pluralism [acceptance of Solidarity]. Rakowski was not opposed to utilizing the ideas of the opposition, too, and he drew conclusions from the failures of the previous reform projects. In addition, Rakowski's government attended to an ongoing and simple abolition of unnecessary restrictions and absurdities. For example, it allowed citizens to keep their passports at home [instead of depositing them with the police when not using them], and it abolished car allocations and gasoline rationing.

[KONFRONTACJE] Did not that government engage in any planning at all?

[Urban] It drafted a plan for spurring the second stage of the economic reform, and afterward a so-called adjustment program coordinated with the terms of the International Monetary Fund, which is the program for the Polish economy until 1991-92. A crucial issue is changing the modes of property. Under this concept, the State Treasury is to be a shareholder selling its shares on a partially free securities market. They may be owned by our banks, workforces, and foreign shareholders. The opposition attacked frontally, through the mouth of Deputy Kuron, Rakowski's government, although its program had been convergent with the rational desires of the opposition even before the roundtable. This is a unique paradox. Kuron also attacked forcefully the month-long wage and price freeze. And yet that was only a technical instrument serving to facilitate a free market

for food, an ancillary measure whose faults were only episodic. But the opposition pictured it as if it were the essence of the government's policy. Kuron also accused the government of raising prices, yet the government froze official prices during the first quarter of the year only in order to improve the social conditions for the commencement of the reform. Subsequently it kept them frozen to protect the roundtable and the elections against disturbances and strikes. It was known in advance that this would affect adversely the supply of consumer goods, because wages were rising faster than prices. Yet Kuron used this as the reason for declaring the fiasco of the government. That was a crude political dishonesty on his part. Thus, if the participants in the roundtable are thus disavowing a government which was one of its partners and participants, this is politically incomprehensible and bodes ill for the future.

[KONFRONTACJE] But the social mood has changed. The public views Rakowski's government in the same way as does Deputy Jacek Kuron. This may be unpleasant news to you, but unfortunately it is true. How do you diagnose the situation?

[Urban] The public has the right to evaluate the government according to the fullness of the store shelves, but politicians should take a deeper and broader view. There is something distasteful in this harassment of the government. I fear that we are facing a lasting inertia of political executive power. It may be that the subsequent governments will fall, one after another, and this constant change in administrations will dominate Polish political life. We shall thus begin ever anew to implement new programs and fail to complete any of them. There is a fad for everyone to declare his opposition to the government in order to gain popularity; this is done not only by the opposition but by a substantial segment of the party, the other political parties, etc. Everyone desires power, but everyone wants both power and being in the opposition. If these attitudes jell, democracy will be compromised and turn into a circus and, later, once the society tires of this chaos, there will be a reaction to sick democracy and its collapse.

[KONFRONTACJE] Where do you perceive the principal peril?

[Urban] First the government will be paralyzed and later destroyed. Whoever bashes the government harder, his credibility on the political market grows. I repeat. Nowadays in Poland everyone wants both power and being in the opposition, meaning that everyone wants power yet to behave as the opposition. Everyone wants to criticize freely, to glitter in the eyes of the society by virtue of his uncompromising criticism. This won't do. The already evolved forms of democracy presuppose a division of roles. The authorities and their camp are one thing, and the opposition plays a different role. The opposition's stance is that of not liking anything done by the other side. The serious opposition keeps its distance, supporting certain measures of the authorities but rejecting

others and offering counterproposals. All this is childish, so to speak, in this country. The opposition press lambasts everything indiscriminately.

[KONFRONTACJE] Excuse the indiscreet question, but I'm very curious about your view of the June elections.

[Urban] The elections took place too late for the authorities, because social disappointment, tiredness, and distrust of programs have grown. It was difficult for us to beat Solidarity, which was greatly strengthened by the strikes of 1988, but had the elections taken place in 1985, the results could have been different. The year 1989 was to the ruling coalition the worst time for holding the elections.

[KONFRONTACJE] Are you therefore accusing the contemporary authorities of blindness?

[Urban] Not of blindness but of procrastination, but only theoretically. In 1985 and 1986 the conditions within the party itself were not ripe for approving the steps taken in 1989. At that time the party had been ripe enough only to declare the amnesty [for interned Solidarity leaders]. It is a great misfortune that ever since 1956 we have always been late with everything, and must be, because whenever the situation is not too bad it becomes, in a sense, too late for our camp.

[KONFRONTACJE] People who attribute the defeat of the ruling coalition to unfamiliarity with public mood, lack of experience, and the low political culture of Poles are very naive. Such explanations are befuddling. Would you like to add something to these arguments of the government side?

[Urban] The society is unaccustomed to the electoral mechanism. Let me add that no one had expected such a result of the elections; neither we nor the opposition. When they launched their electoral campaign last May, they too were very apprehensive of the future.

[KONFRONTACJE] But you surely had been certain of success, had not you?

[Urban] No. We figured our chances at a maximum of 30-40 percent. When after 45 years the voters were offered an alternative, their common reaction was to try something new. The more so considering that the numerous changes in the policies and leadership of the same political forces produced successive disappointments. It seems that in general even the best government, that gives people everything they want, would fall after 45 years owing to the need for a change. And our government was not the best.

A majority supported the roundtable accords and participants in general. Since it was determined in advance that 65 percent of the seats in the Sejm would be held by the ruling coalition, many voters thought that they did not have to vote for it and instead they should vote for the opposition, for whomever they wanted, since they wanted it to be in the parliament, and it had first to win the elections. The national electoral list was a mistake! In

every electoral district the principal party candidates could have won landslide victories over alternate candidates from the same party—had these been nominated. I myself made quite a few propaganda mistakes. The entire world was astonished by the large number of candidates on our side. Party discipline had collapsed. The leaderships of the party and the allied parties lost control over the party candidates and were unable to eliminate the surplus. Thus, democracy ran amok within the party whereas Solidarity applied rules of nomenclature and discipline. The party shed (at the wrong time) the burden of its undemocratic past, while Solidarity reacted with iron discipline to the practically anarchic democracy of its past. Only a person who has been a bigot from childhood on does not have to attend Mass every day; neophytes do the contrary.

[KONFRONTACJE] Will the PZPR collapse?

[Urban] Its spokesman Jan Bisztyga denied these slanderous rumors of a schism within the party. The party calls for unity, which is understandable, because following its electoral defeat any party would want to gather renewed strength in unity. In the past there always existed divergent tendencies within the party. After all, until recently, it had practically been the only party in the Polish political system, because the allied parties [the Peasants and the Democrats] had existed in its shadow. Such a party attracts a majority of politically active as well as generally ambitious individuals, and hence it is a source of cadres for other, including opposing, groupings. Renegadism is just one of the effects of single-party rule. For example, Solidarity's leadership consists practically in its entirety of former PZPR members, aside from Christian Democrats. I cannot predict either whether official factions will arise within the party. Soon now it will be possible to establish political parties legally. Mass shifts of membership from the PZPR to other groupings may be possible, but the breakup of the PZPR into different parties is not. [passage omitted]

### Parliamentary Deputies; Party, Mainstream Identity Crisis

90EP0019a Warsaw PRAWO I ZYCIE in Polish  
No 37, 16 Sep 89 p 3

[Article by Ewa Wielinska: "The Revolving Stage: All the Forces on the Political Scene Are Experiencing an Identity Crisis"]

[Text] The publishers of "Kto jest kim?" [Who's Who] are slow to update this highly useful guide. Just as useful would be a guide to "What's What," describing the main political forces—the parties, groupings, etc. The range of these forces has lately markedly broadened. Completely new configurations are arising, and the "caucus-versus-party" one is particularly interesting.

The discords between the caucuses of parliamentary deputies and the statutory leaders of the parties concern, to a varying degree, the PZPR and the Peasant (ZSL) and Democratic (SD) parties. (As for the opposition, that will

be treated later.) One reason has been the defeat of the candidates on the national electoral list. It has resulted in a paradoxical situation: many politicians from these parties are not sitting in the parliament. They are not actors on the scene, being outside it. They find it more difficult to organize movement on the scene, because their suggestions are not always to the liking of the actors who were suddenly assigned the main roles.

In a classical system of parliamentary democracy the politicians determine the conduct of the parliamentarians, and this seems obvious. Under the Polish system, which exists in the stage of experimental democracy, it is conversely the parliamentary deputies who markedly influence the decisions of the leaders of the parties. This reversal of the normal relationship is a major reason for the speeded-up pace of events.

This is clearly seen from the example of the United Peasant Party (ZSL). When the mission of forming the government was to be entrusted to General Czeslaw Kiszczak, the ZSL Supreme Committee tried to influence ZSL deputies to the Sejm to vote in favor of his candidacy. It had succeeded in this attempt, although to this day it is not known whether this was due to the persuasive powers of the ZSL's leaders or to the clumsiness and mistakes of OKP [(Solidarity) Citizens Parliamentary Club] deputies. Once Lech Walesa made his declaration in August [asking the Peasant and Democratic parties to abandon the PZPR and join Solidarity in a coalition], the roles became reversed and the Peasant and Democratic deputies pressured their party higher-ups to accept Walesa's offer. The consequence of these maneuvers became known worldwide in the form of a photograph of Lech Walesa [shaking hands] with Roman Malinowski [Peasant leader] and Jozef Jozwiak [Democratic leader]. If the former chairman of the ZSL Supreme Committee ever writes his memoirs, his narrative of those few days during which it was decided to reverse the alliances will be highly revealing.

The divergences between the Caucus of Democratic Sejm Deputies and the leaders of the Democratic Party are much smaller. This is largely due to the fact that several months ago the Democrats had held a congress at which they elected new leaders and voiced the expectation that their party would have a greater share in the government. To be sure, all this took place in a totally new political situation, but the openness of the program of the Democrats and their receptiveness to various proreform concepts has resulted in fewer frictions among the Democratic deputies and the leaders of their party compared with their former coalition partners.

Undoubtedly, J. Jozwiak found it much easier to pose with L. Walesa for that photograph than did R. Malinowski. The leaders of the Democratic Party had reacted sharply to the position of the 14th PZPR Central Committee Plenum, and particularly to the statement, "The PZPR counts on its continued coalition with members of ZSL and SD who are faithful to the ideals and accords of the 'round table.'" The Democrats voiced their outrage

at the PZPR Central Committee's decision to appeal to members of a party other than its own and encourage them to oppose the decisions taken by the statutory leaders of the SD. A Democratic deputy made an interpellation concerning the tendentious presentation of the position of the Democratic leaders in newscasts by Polish Television, and Minister Jerzy Urban was forced to express his regrets over this incident. These facts demonstrate that the Presidium of the SD Central Committee is united with the SD deputies in resolutely and defending the new tack of the SD.

At the Caucus of PZPR Deputies to the Sejm also the situation is extremely heated and complex. Some of these deputies do not conceal their liking for Solidarity, and some realize that they owe their elections to its support. Then also there are the deputies who were elected contrary to the wishes of the voivodship party authorities. These "unwanted children" are experiencing the feeling of psychological comfort ensuing from their victory over the bureaucratic apparatus, and they find it not only gratifying but also a stimulus for being independent. Thus, the PZPR deputies have already more than once bared their fangs [when ordered to roll over by the PZPR], and their future responses are hard to foresee.

Joint discussions between the PZPR Central Committee and the PZPR deputies to the Sejm are intended to avert mutual discord, and this is a new practice and one not encountered previously owing to, supposedly, the lack of adequate office space, which now was somehow found. However, the important 14th Central Committee Plenum met in the absence of PZPR deputies to the Sejm, and behind closed doors at that. The deputies were merely asked to actively promote the "Position of the Central Committee," which not all of them may identify themselves with.

### A Strong President

The relationship between the PZPR and President Wojciech Jaruzelski is interesting. As he had promised, soon after the elections he resigned from the post of the PZPR first secretary, and from other party duties. His withdrawal from participation in the party decision-making circles was dictated by the desire to strengthen the authority of the presidency as an independent force that is distanced from partisan and parliamentary alignments. This was not merely a formal fulfillment of a previously given promise or an insignificant gesture, was demonstrated by the president's reaction to the "Position of the 14th PZPR Central Committee Plenum." Demanding "a guarantee of the PZPR's representation in the government corresponding to the political and state potential of the party," the Central Committee had asked the president to allow for this point of view when forming the new government. The "Position" was adopted by the Central Committee on Saturday 19 August, yet as soon as on the following Monday the Office of the President had dispatched two letters to the Speaker of the Sejm: one concerning the recall of Czeslaw Kiszczak [from the premiership] and the other

concerning the appointment of Tadeusz Mazowiecki to the premiership. Thus, the resolute-sounding position paper of the 14th Plenum did not influence in any way the procedure for designating the premier. This was discerned and appreciated.

It may be that at that moment the initiators of the petition for the recall of Senator Andrzej Wielowieyski on the grounds of proceedings contrary to the wish of the voters during the election of the president began to doubt the meaningfulness of their campaign.

Such were the circumstances under which a new force arose on the political scene, and in a much more explicit manner than the roundtable arithmetic had warranted anticipating at that. It was rather to be expected that the political position of the coalition president would be weakened by the existence of the government of the old coalition (PZPR-ZSL-SD). In face of the establishment of the new coalition [Solidarity-ZSL-SD] the president's position became unexpectedly strengthened. This situation raises the question: a strong president, but at whose expense? The premier's? A position of strength for the ministers of state at the expense of a reduction in the importance of members of the Council of Ministers? Should the scope of activities of the ministers of state be defined solely by the president, and are then disputes about conflicts of competences to be expected? The declarations made so far by both the president and Premier T. Mazowiecki abound in optimism and desire for a nonconfrontational approach. The new cabinet is still in the formative stage, and the actions of the president are only now beginning to be more energetic. As to what the future will be like, we shall see.

### The Trade Union Trap

The oddest situation is that of the opposition, or more precisely, of the recent opposition, whose representative is now forming the government. Even before that began to happen, OKP deputies already had problems in finding their place on the political scene. They said that they represent the interests of the voters, but this response resembles a magic conjuration more than an objective comment. The cooperation between the OKP Club of Sejm Deputies and the National Coordinating Commission of NSZZ Solidarity has from the outset been a source of emotional upsets. In addition, Lech Walesa's political independence obscures still further the contours of an already blurry picture.

The appointment of T. Mazowiecki to the premiership placed the Solidarity National Coordinating Committee in a role which a satirist could not have conceived barely a year ago—the role of “government” trade unions. A trade union as a pillar of a government intending to bring about order in the economy by radical methods—that is a prestidigitator's challenge. Few people (other than the leaders of the OPZZ [the regime-sponsored trade unions]) still cherish the illusion that rescuing the economy from its crisis quagmire can be accomplished painlessly to the society. Thus, OKP deputies face the

dilemma of whether to support even drastic reform measures of the government or to defend worker interests at any price (and above all, at the price of [opposing the] strikes). This is an intractable predicament. The formula “deputy-trade unionist” is turning into the alternative: either a deputy or a trade unionist. This dilemma has already been resolved in favor of the parliament by Henryk Wujec and Janusz Onyszkiewicz, and others are getting ready to take the same decision.

All the same, it would be interesting to know what would happen were the indexation decree passed now. Would the OKP deputies again succumb to pressure from Solidarity's National Coordinating Committee and opt for the variant crediting to the indexation basis the wage raises extorted by the most powerful occupational groups, or would the interest of the economy as a whole prevail and this inflation-promoting variant lack supporters? This “what if” is of interest insofar as the voting for the indexation decree sheds clear light on the trap harbored in the deputy-trade-unionist formula.

The formation of the new coalition and the appointment of an oppositionist premier are placing local Solidarity members in a difficult situation. It is not unlikely that the main dividing line will form between the trade-unionist “grassroots” of Solidarity, which are exclusively concerned with the living standard and wage increases, and the Citizens' Parliamentary Committee, which will forfeit its trade-unionist imprint. As for Solidarity's National Coordinating Committee it will find itself between the hammer of wage and compensation demands and the anvil of expectations of support of the proreform efforts of the government and the parliament.

Solidarity's position in plants and factories is incomparably weaker than it had been during 1980-81. There, this trade union is dominated by workers and the intelligentsia is not rushing to join it. I do not think that the “13 December” [date of imposition of martial law in 1981] syndrome influences this attitude. The principal factor rather is the extensive social disintegration which has been taking place in the last few months. Unlike in 1980, workers are not defending the interests of teachers or physicians but are concerned solely with their own problems. The rising inflationary spiral is causing people to see no farther than the tip of their own nose and to focus exclusively on their own wallets. The successive surges of wage demands resemble the hardly lofty scuffling for first place in the queue. The winners are the strong, and they do not want to bother with the weak because this might perturb their relative wellbeing, since they are aware that their winnings are at the expense of the others' losses.

Thus, the future of Solidarity at workplaces is unclear. On the one hand there is the peril of relapsing into an extreme populist demagoguery and on the other, the danger of total negation under the cover of “the intransigent opposition.”

The OPZZ [regime-sponsored National Alliance of Trade Unions] is in a better situation. Its focus on protecting the living standards of workers and demanding 100-percent indexation is gaining it a relatively stable circle of sympathizers.

### Critics and Administrators

Not all the opposition activists have found a niche for themselves in the new situation. This is not at all easy considering that the movement on the political stage is frantic and the stage itself is revolving at an unprecedented speed.

Not everyone has yet realized that the formation of T. Mazowiecki's government will put an end to the times when the thing to do was to voice social disapproval of government measures and begin a time when the thing to do is to recruit social support for them. Not everyone is capable of turning from a critic into an administrator. Such a metamorphosis has a price: [Solidarity] is losing some of its supporters. After all, not all of the people dissatisfied with the attempts at reform so far will suddenly become satisfied with the propositions of the new government. For there is the risk that too much will be lost.

Thus, disarray within the ranks of the OKP is arising. This is not surprising considering that the oppositionist deputies champion diverse political concepts—liberal, Christian-democrat, social-democrat, etc.—sufficient for the programs of several different parties.

The parochial interests of particular factions also are emerging into the light of the day. The Solidarity of Private Farmers (SRI) resents Lech Walesa for having reached an accord with Roman Malinowski [head of the ZSL] behind the backs of the rural OKP deputies. In other words, the SRI feels that it is it, and the ZSL deputies whom it had recommended to voters, that represent the interests of the Polish countryside and not the chairman of the ZSL Supreme Committee [Malinowski] who has had for years been part of the fossilized structure. Such resentments may be viewed as hardly rational politically, but they reflect a mentality, or perhaps even a subconscious feeling, dominated by longing for a monopoly on "rule over hearts and minds." Yet, the decay of all monopolies is becoming an increasingly evident fact, except that we do not know what will come to replace them.

### 8 July Initiative; PZPR Reformers Seek New Party Identity

90EP0021a Warsaw PRZEGLAD TYGODNIOWY in Polish No 38, 17 Sep 89 p 3

[Article by Andrzej Zieba: "Nothing Is Decided Yet: The PZPR—The Sole Directive Is the Absence of Directives"]

[Text] The Polish political map nowadays may resemble a jigsaw puzzle or eventually a children's song-game

ending with the words, "The circle has broken up, so let's scat!" Some are still standing, while others had squatted and are now trying to get up.

The course of the political discussions is, of course, being influenced—if we consider only the domestic factors—by the acute political crisis within the bosom of the party which defines itself as the guiding force of the nation.

Its condition is illustrated by findings of CBOS [Public Opinion Survey Center] polls: During the first half of 1989, supporters of the PZPR and the government (considered together) melted to 4 from 7 percent and, despite everything, the party rode on the government's coattails. During the same period, supporters of Solidarity increased to 29 from 9 percent of the respondents. A majority favored various forms of pluralism. The polls also revealed that 28-34 percent of PZPR members among the respondents viewed the activities of the political adversary [Solidarity] as being consonant with national interests but not with the interests of their own organization. The basis for the party's legitimacy has become questionable.

A need for restructuring has become obvious at all levels of the party. Several—two or three—clearly emergent tendencies of discussion had already been mentioned, but these rumors died down once the first [party] secretary had been replaced. The party is renewing discussion from scratch as it were, under the slogan: "The sole directive is the absence of directives." The party apparatus is assuring the broad membership that this time no truths are being laid down "from on high," adorned, and censored. The solution to be worked out will be a genuinely common cause, and it will be enshrined by the Eleventh Congress, which of a certainty is going to be termed Extraordinary and may be unusual, because democratized.

"It should be convened as soon as possible, but not sooner." This binding formulation does not satisfy rank-and-file members, who suspect the leadership apparatus of dilatoriness, of a continuing lag behind the rapidly changing reality. The shortly expected Central Committee plenum will, of a certainty, propose an organizational approach. By now December as the date for the Eleventh Congress no longer seems realistic (even though that would have been a spectacular and symbolic date for the party, since that would have been the anniversary of the 1948 Unity Congress); February 1990 is rather being mentioned.

It is not possible to determine and sum up the course of the intraparty discussions so far. At best, the rank-and-file members may be sounded out in order to identify the basic aspects of these discussions.

The widespread awareness of the need for fundamental intraparty reforms is prompting an unprecedented variety of responses, which can be readily understood.

At one extreme there are those who are the worst situated, though not all of them. The opinions being



voiced are that the senior party members, who recall Stalin's methods and the consistently full store shelves, and who nowadays are living on miserable pensions, would gladly welcome a return to the party's strong-arm rule and a firm zloty. On the other hand, the existence of age and "material" divisions is being denied and emphasis is rather placed on intellectual divisions, on differences in the degree of understanding of the events occurring in this country and in the ability to infer conclusions. Naturally, big-industry constituencies stress somewhat other aspects than do, say, academic or rural constituencies.

The desire for change is present everywhere; the differences concern assessments and the depth, scope, and radicalism of the changes desired.

An undoubted fact, and a rather sensational one at that, is the resurgence and proliferation of the so-called horizontal [autonomous local] party structures remembered from the period before the Ninth Extraordinary Congress in 1980. At the time they had been a veritable fuse igniting the party leadership's energy to counteract them. Nowadays the same initiatives not only fail to elicit anxiety but, on the contrary, promote substantially the ideological, organizational, and intellectual revival of party ranks and restore the decisive say to the basic party elements (Mieczyslaw Rakowski's opinion).

Among the first grassroots reform movements the initiatives of the Krakow Academic Center and the Warsaw "Initiative of 8 July" (the date of the first broader meeting) stand out. These initiatives are addressed chiefly to the scientific and academic community, but they also are open to all reformist movements. They have rapidly gained the support of similar constituencies in Poznan, Katowice, Gdansk, and Torun. Their popularity is growing. A Coordinating Committee has already been formed.

In Warsaw the Ursus [Tractor Plant] was the first large plant at which this initiative was launched. It organized a working session to which it invited representatives of other plant workforces and party echelons in the Nation's Capital. The role of the host of the next meeting was accepted by the party organization at the Zeran Passenger Car Factory; soon now a similar small "dietine" is expected to take place at the Warsaw Steelworks.

What is being said at such meetings? What do party members want to do about the party?

First Secretary of the PZPR Committee at the FSO (Zeran Passenger Car Factory) Zbigniew Rudnicki resolutely refuses to draw conclusions at such an early stage of a discussion that is being held within a—despite everything—small grouping. He likewise declines to offer his strictly personal opinion, on the grounds of party discipline and tactical considerations. He explains diplomatically and somewhat allusively that, if the party succeeds in getting reformed "in the way we think," the voicing of personal opinions by party members rather than hewing to the party line will become possible, as

had been done by Senator Anna Radziwill in a recent program of the TV series "100 Questions to...." when she distanced herself on certain issues from the policy of the OKP [(Solidarity) Citizens' Parliamentary Committee].

In this case, since there has been no overall summation, certain of the more interesting individual comments made during the discussion will be considered below, with the caveat that they are hardly authoritative.

Zdzislaw Konieczniak of the FSO, the host, as it were, of the second meeting of the Warsaw "horizontals" [local autonomous party chapters], pointed to two concepts that are emerging.

The first, viewed as a majority-held concept, is that of a kind of social-democratic model [by analogy with the Social Democratic parties in West Europe] (that is a marked tendency that had arisen many months ago still persists). It presupposes a far-reaching abandonment of various traditions, structures, customs, and other elements referred to as the past of Stalinist and neo-Stalinist origin. This direction of changes is warranted, in Konieczniak's opinion, by the opportunity of linkage to broadly construed traditions of the Polish socialist movement "majorized" in 1948 [the reference is to the merger of the Polish Socialist Party with the Polish Communist Party into the PZPR or the Polish United Workers' Party]. A change in the party's name would be needed as a natural consequence of the abandonment of the 40-year-old model under which the party [PZPR] is identical with the state [i.e., abandonment of one-party rule].

The second, minority concept is of a conservative nature; its advocates support not much more than a change in the party's name and eventually some reforms in the party's program and statute.

It is impossible to predict which concept will win if a choice between the two is offered at the meetings. Both concepts have in common the fear of a schism within the party, of the building of a new party on the ruins of its predecessor. That, however, is hardly a feasible outcome in view of the extent of the internal contradictions within the party with regard to the radical nature and scope of the postulated reforms.

Some members of the party aktiv at the FSO proposed that the Central Committee should, without waiting for the launching of the pre-congress campaign, form a group of founding members of the new party with the participation of representatives of more than 200 of the largest party organizations in the country. Such a group would then work out preliminary drafts of the statute and program of the new organization. An appeal was made to PZPR committees at all levels to form similar groups within their areas of jurisdiction.

Wojciech Rejnowicz, a member of the Warsaw-South Praga PZPR Borough Committee, declared, "At present the party is in a great political crisis because it suffered a stinging defeat in the parliamentary elections."



(This assessment seems an oddity because already much earlier the reverse had been stated: The party suffered this defeat because it was plunged into a great crisis.)

At its 11th Congress, the party should change its name and, partially, its program.

Leszek Juchniewicz, secretary, PZPR Committee at the University of Warsaw: "The party can be restructured only from the grassroots. All the reform attempts made so far have been from the top down, on the initiative and under the supervision of the central party apparatus, and they have not produced significant success. The approach has been that supposedly the party should be 'the same, yet not the same,' but its nature has remained unchanged.... The coming congress should be predicated on new and free elections within the party—elections that would represent not just a popularity plebiscite but a genuine option, the chance to express personal opinions about a given political platform. We want to change the party rather than to split it.

"We assume that [the party in its new capacity as a] party of the social left will, first, bring about a streamlining of the economy; second, promote the formation of proper political relations on the national scale; and, third, foster the implementation of properly construed principles of social justice. The PZPR has no monopoly on being a leftwinger.... We must begin to act by political means rather than exclusively by formal-administrative means.... Seventy percent of the public say that they prefer to be well governed to participating in governance, but this does not mean that the social rationale for political activities [gobbledygook for democratization] is not here.... In our discussion of the program we must not and may not aspire toward unanimity."

Ryszard Kuras, secretary, PZPR Committee at the Aviation Institute: "The horizontal structure is a safeguard for translating into reality the will of party members.... I think that Marxism should not be thrown overboard, as someone has said; all that is needed is to verify it."

Marek Kuczynski, Academy of Social Sciences: "The reforming and restructuring of political structures in this country and the economic reform are more advanced than the restructuring of the party itself.... The 900,000 party-recommended administrators and managers know how to transmit instruction rather than how to struggle for ideas and programs.... Should we struggle for political power as such or for the society's support?.... We cannot exercise political power in any other way than on the basis of the freely expressed will of citizens. We must win this power normally, through democratic elections.... I am fully in favor of the concept of party unity.... Could not the institution of the intraparty referendum be introduced with regard to issues that matter most to the party?"

Marian Rabong, secretary, PZPR Committee at the Polish Optics Plants: "Changing the party's name in itself will be unproductive; it will have to be supported by a total change in its personnel [i.e., in its leadership]."

Zbigniew Siemiatkowski, University of Warsaw: "A party of democratic socialism must break with democratic centralism which deadens any new ideas within the party and deadens intraparty life as well as subordinating that life to the will of the party apparatus. An effective party is contingent on a pluralist intraparty life in which several different programs would coexist. The internal differentiation now going on within Solidarity may result in the formation, on the basis of a part of that movement, of a Social Democratic party which would absorb all the leftist forces heretofore existing outside the PZPR, and thus relegate the PZPR to the role of a party focused chiefly on supporting the president [Jaruzelski]...."

Waldemar Splawski, secretary, PZPR Committee at the Warsaw Steelworks: "At the moment we have freedom of speech.... Most party members support the reform, except that the party comrades would like to know its boundaries, which they unfortunately don't. So far as democratic centralism is concerned, we should not get rid of various things which by nature were not bad, because our political adversaries are employing the same methods of action.... If the party is to be effective, it must be disciplined."

Jacek A. Likowski, [Warsaw] Voivodship PZPR Committee: "Whatever the party touches is disintegrating.... We are a 'party of sharing.' Creation [production] is a much more complex process than sharing.... We are doing everything singly; for example, we regulate agriculture in isolation from industry.... In the name of social justice we have been sharing everything, from wage increases to the GNP. We have always been doctrinaire in this respect, and now we are ashamed of it."

Jerzy Narczynski, nonparty publicist: "I believe that abandoning certain worn paths outlined by Marxism-Leninism is a highly risky undertaking.... Consider that until 1987, when life in Poland had been relatively calm and there were no strikes, no wage conflicts, and the prices were stable, the party had been explicitly Marxist in character.

(It can be seen that a deep abyss divides the first and last comments from the intervening ones. As yet, ways of filling it in are unknown, aside from isolated comments in favor of maintaining the unity of the party.)

The spectrum of opinions on some one particular issue that is of vital concern to every rank-and-file party member is worth investigating. Such an issue may be the presence and role of the party organization at the plant or factory. This is all the more of interest considering that recent news from Hungary is that over there the possibility of abolishing such structures has supposedly come under consideration, and that a corresponding resolution has already been adopted by the WSPR [Hungarian Socialist Workers' Party] branch operating at the Hungarian Supreme Court.

A comment characteristic of the resolute opponents of such a measure was voiced by Richard Kuras: "If there is

no party organization at the factory, this means that the party automatically surrenders its base of operations to the opposition."

I noted many similar comments during conversations with the party aktiv at the Nowotko Machine Works, some of whom even complained about the relative absence of the party's influence on the plant management and the impossibility of acting in advisory and monitoring capacity and of influencing the plant's personnel policy.

The opposite pole of reasoning is represented by, e.g., Zbigniew Siemiakowski, who argues, "Our aim should be to depoliticize the workplaces. What shall we do once the decree on [pluralism] of political parties is adopted? And how shall various parties arise? Do we have any good arguments in support of the thesis that only the PZPR and not, e.g., a Labor Party, can operate at the FSO? Here, too, we need a change in our mentality. Let us be prepared for the possibility that already in the very near future the center of gravity of political life will shift to local communities, which will make the principal decisions through the mediation of the act of voting." Jacek Likowski reasons likewise but in a conditional mood: "Even if we as a party would not preoccupy ourselves with the same things as the various trade unions, so long as the party places the chief emphasis on the interests of the factory, it would not promote the conditions for the integration of the fabric of the society, for a normal operation of the economy in accordance with the laws of economics.... The maintenance of party activity, whether renewed or not, at plants and factories would inevitably be bound to promote disintegrative tendencies instead of integrative ones."

The conciliatory "centrists" propose a mixed solution: the party should be active both in the community and at plants and factories, and then practice will show which of these formulas is politically more effective (Leszek Juchniewicz). Marek Kuczynski views it similarly: "The center of gravity of [the party's] organizational activities should be shifted to community life, but this does not mean that party organizations at plants and factories should be dissolved."

The party chief at the FSO, the aforementioned Zbigniew Rudnicki, believes that this is a longrange issue which it is premature to discuss. It will arise as a corollary of decisions on more current issues such as: Which economic order will be adopted; how will mutual relations among political forces ultimately evolve; and how modes of ownership will be altered?

All the views cited above may be considered as highly abstract compared with the prosaic fears voiced to me at the Nowotka Plant: How to survive yet another day? What will the next day bring? The best workers are leaving the plant, faith in the party is declining among its members, and the influence of the ordinary, or rather extraordinary, economic crisis is making itself felt at the plant. Everyone realizes the huge sacrifices to be made in

order to survive. One must flex one's muscles before rebounding from the bottom—but no one seems to realize this.

### Provincial Leaders React to Mazowiecki Appointment

26000731 Warsaw *POLITYKA* in Polish 2 Sep 89 p 4

[Article by Ewa Nowakowska: "Your Premier, Our Apparatus—What the Voivodship Governors Have To Say: Neither Apathy nor Enthusiasm"]

[Text] "I, too, am corrupted by the red identification card and I realize that if the new government wants me to be an administrator for its people and is directed by the criterion of membership and not work and qualifications, then I shall lose my post," says Jan Rozynek, deputy voivode of Opole. "But please, believe me: our everyday worry and concern in the office is not the prospect of a change in values. Of course we see this and our reaction is a sense of satisfaction that everything is coming about as a result of talks and not force."

I am writing this text following the first press conference held by the new premier. Tadeusz Mazowiecki made the statement there that in evaluating the state administration, he will use only the principle of competence and the requirement of loyalty to the government that he is developing. However, when I spoke with voivodes 1, 2 or 3 days before this, the only candidacy that was known was the one for the chairmanship of the Council of Ministers, the one that incorporated the slogan "Your President, Our Premier." But whose administration is it—the local framework of the central authorities?

It is to be expected that fears regarding the latter issue are absorbing the attention of the representatives of the highest levels of the local administration. That is why I asked the voivodes and the deputy voivodes what changes they expect in their own bailiwicks as a consequence of the appointment of the new government? Do they expect to maintain their present positions?

It turned out that I was speaking with people who were so weighed down by the pressure of their current obligations and unpleasant surprises disrupting the course of their work (e.g., one said, "I'm on my way to the emergency department to plead that they do not punish sick people by going out on strike!") that bringing them over to the terrain of journalistic suppositions left them in a state of shock.

Naturally, I am speaking of those voivodes whom I managed to find in the office usually very early in the morning or in the late afternoon. Some heads of the local administration were on vacation during these days of political heat, but when, in other voivodships, I began by asking whether the chief was resting, I was reproached for my ignorance: "Why, vacations for voivodes were suspended in August 1989!" Only in one case was I snowed under by an avalanche of the official newspeak according to the stereotype for every occasion ("Our

works are actions inspiring the autonomous economic units"). My partners in all these conversations were people who live what they do and do what is most clearly of consequence to them, but not in the sense of clutching desperately to their chairs.

That is undoubtedly why questions regarding the expected changes did not refer in general to possible seizures of their power, but to the principles of organization of cooperation between central and local authorities, the style of managing the budget and the consequences of introducing a market economy.

Konin Voivode Ireneusz Maczka (PZPR) said: "Certainly the program of the new government will be concrete, and I like such a program. I hope for the stepped-up decentralization of powers and for an increase in financial autonomy. We all long for a program which will enable us to implement our planned goals in a stable and long-term manner. I have always been an optimist, and I still do not allow myself to think anything else but that we ourselves must help ourselves. In order for this to happen, mechanisms that effectively attack inflation must begin to operate. Thus, I anticipate many changes, but I am convinced that the need for good and effective action will not change. And since, for 3 years, I have received absolutism by secret WRN [Voivodship People's Council] ballot, I have the right to believe that I shall perform my function based on the will of council members and that they shall determine whether I shall continue on as voivode..."

"I hope that the priorities adopted by the new government will be implemented from beginning to end." This is the opinion of Tomasz Gliwa, deputy voivode of Bydgoszcz (PZPR). "And I expect economic autonomy for the local administration and a general change in the principles of management, in the direction of reprivatization, while preserving the interest of the state. Will I continue to be voivode? Truly, I do not consider the performance of this function to be the greatest good fortune! I can always go back to being a lawyer. However, in my opinion, the question of political colors is of no importance here. The work that I do consistently is what counts. I never promised more than I could fulfill."

"Changes depend upon how much autonomy is gained by the local administration and whether it will be judged according to how it performed its duties and not attacked for another's sins. People want to work! Meanwhile, they must free themselves of rancor, often poorly aimed rancor," says Stanislaw Rapa, voivode of Biala Podlaska (ZSL). "As voivode, I do not feel threatened because I do not see a situation which would disqualify me. The new political power structure is of no significance here, even though I understand patterns of thinking are enduring..."

"There are real possibilities for everything to improve, thanks to the linking of political forces and the moderation of conflicts. I hope that the new government will impact on ending strikes and mobilizing people to

work," says Eugeniusz Mioduszeowski, deputy voivode of Lomza (ZSL). "And in no way does the new coalition mean a readiness to do accountings of personnel based on their party affiliation! I expected good people to be favored, not those who have a 'good' affiliation today."

The attitude that prevails at the highest levels of the local administration is best illustrated by a statement made by one of my interviewees: "There is neither apathy, nor enthusiasm." There is just their absorption in everyday affairs, while new problems are added continually to the ones they have already mastered. It is the fourth week of the price blow, and the market is sick from the Baltic to the Tatra mountains. The administration is taking the flak for this.

And since wages are small, educated and enterprising people are leaving. For example, one moves from being the director of the physical culture and tourism department to being the deputy director of a mine. The new cadre is not as well prepared and is less valuable. They are placed "in storage," for lack of a better proposal.

That is why, in the opinion of my interviewees, the local administration can "thin out" in terms of numbers, but those who remain must be worthy of being paid. Here a reservation: not everyone should stay. There is a need for new people—based on choice and not on their life's circumstance. It is this, and not a change in political colors "at the top" that dominates in considerations on the topic of personnel. But it is not even these considerations that are the most important. The heads of the local administration, when asked what they expect from the new government, frequently take a position that I would call "wishful thinking." They expect the new government to do what they think has to be done, both at the base and at the superstructure.

Boleslaw Didyk, nonparty voivode of Zamosc, says: "The greatest change I hope for is the elimination of the division into spectators, on the one hand, and workers, on the other. We have few spectators because only one-fifth of the population lives in the cities and the farmers work from dawn till dusk gathering the crops. The greatest concern of the administration is to enable farmers to have something to work with and to make their work profitable."

"Farmers sell their products and they have nothing to buy with the money they earn. There are no shoes in the stores, and sugar is rationed by the kilogram. And so they ask, why farm?—and we do not have any good answers," says Eugeniusz Mioduszeowski.

Wladyslaw Piotrowski, Walbrzych voivode (PZPR), avows: "Since 1 August we have been steering the market by hand, but please understand me: if this were not so, the situation would be even worse. People complain: 'There are too few goods! They are too expensive!' Meanwhile, on the highland farm, the costs of agriculture are higher and farmers are demanding higher procurement prices. We are not self-sufficient. We import about

60 percent of our meat. Inflation is killing us! We hope that the new government will be able to conquer it!"

The local stir of voivodes regarding market issues is often stymied by the fact that in many fields, the central authorities continue retail management. For example, if someone wants to trade by going from house to house in Opole, he must obtain approval from the minister of internal trade himself. But Deputy Voivode Rozynek's dream is that the head of the voivodship administration would be someone modeled after the governor of a state. He would be a real lord of the land who intervenes wherever the interests of residents are threatened. But what are the facts?

In Opole it has turned out that private stores are the stores that are the most arbitrarily and freely closed. And so the privatization of trade—without competition and without a sense of being threatened—is done on too small a scale to please the client. Throughout the world, such a delinquent can have a concession removed. But in Poland, he is fined up to 15,000 zlotys, which just gives him a good laugh.

It is a truism that the real landlord is the person with the money. And the local administration, which was never brimming over with money, now finds itself in the position of a beggar.

The local budgets are calculated in prices from July of 1988. And so in Walbrzych they estimate that they are short 30 billion zlotys, for current needs. These needs are basic educational and health service needs. In Bydgoszcz it is calculated that the entire 1989 budget will be spent by September. They are in danger of suspending the building of an oncological hospital which is nearing completion. In the Konin voivodship, a catastrophic drought is ruining farming; half of the farms are ending their store of hay from the first harvest, and there has not

been a second one. How can we help peasants from losing their cattle? From whom should we take, and to whom should we give?

In Opole, the harvest is good, but the health service is perishing. Some hospital departments are closed from the lack of staff, while in others, patient stays are restricted to a minimum.

Can the voivodships help themselves? Their chiefs maintain that they can. They have many concrete ideas. But the truth is that if money is to be made, there must first be investments. And, for example, in the Bialopodlaska voivodship, where there are meat, potatoes and many other products, there is no processing. Its potatoes are transported 600 km to processing plants in Nowogard Szczecinski.

"When reason wins out and when we get our feet on the ground, we shall organize potato processing in our voivodship," says the voivode.

In another farming region, Lublin, Voivode Stanislaw Sochaj (ZSL) is busily working together with trade, the Solidarity of Private Farmers, and anyone who is ready to join a company to resurrect the old, sometime ideologically compromised, private network of slaughterers and meat processing plants. The subjecting of the economy to market mechanisms has sparked their imagination, but the results will not appear overnight.

Jan Rozynek says: "We expect the new team to change the style of budgetary management. On the one hand, the expanded control is crippling us, while on the other, the budget in zlotys is apportioned stupidly, without an estimate. From where should the money be taken and how should it be apportioned? This is a question for the new government, but for us as well, since we are its extension."

## POLAND

**'Myth' of Unlimited Reserves in Defense Industry Refuted**

90EP0031a Warsaw ZYCIE WARSZAWY in Polish  
15 Sep 89 p 3

[Article by Jacek Swidzinski: "A Myth Demolished"]

[Text] Many people, including even titled economists, believe that the arms budget allows for a huge reserve capacity whose utilization would serve to change radically our economic situation. But belief and fact are two different matters, and hence I decided to investigate the question at the source, that is, at the Ministry of Industry. Below is some information that should cool fevered brows....

First there is not in Poland any plant manufacturing goods exclusively for "S" ["Special," or armaments industry]. All the factories working for the defense industry are at the same time manufacturing civilian goods. This raises the first question, namely:

What is the size of the armaments industry in Poland? Is it a vital segment of the national economy? And can it be readily converted "as is" to civilian production?

About 80 plants in Poland have the status of defense-industry enterprises. These enterprises account for nearly 8 percent of the overall output of the enterprises for which the parent agency is the Ministry of Industry. But... "S" production accounts for only 3 percent of that 8 percent. In other words, even in the industry considered the armaments industry the greater part of the output is for civilian purposes.

Achieving the status of a defense-industry enterprise does not mean winning special privileges. While it is a fact that these plants benefit from tax exemptions, this will not continue long, because the reform of the tax system will also extend to this sector.

The demand for armaments is declining both domestically and in exports. It has to be considered that nearly all the member countries of the Warsaw Pact are reappraising their defense programs and reducing the related outlays, and moreover, in connection with the decline in tensions in many of the world's regions, arms exports also are decreasing.

In this country it is considered embarrassing, but other countries admit openly that arms exports are a most profitable business. The defense industry requires the best machinery and equipment available, and most of these have unfortunately to be acquired for hard currencies. Such acquisitions have to be financed either from the central budget or from hard-currency earnings. Given the conditions in Poland, emphasis has to be placed on the second alternative.

Two-thirds of these special exports are shipped to Payments Area I, that is, to the countries belonging to our

military-political alliance. In this respect, doubts about the profitability of these transactions are warranted despite the existence of the Commission for Armaments Prices which verifies the invoices presented by the enterprises manufacturing these special products; domestically the prices are fixed in negotiations between the producer and the military, but exports are based, as everywhere else in the world, on transaction prices—and here demand is the main factor. Since last year, and particularly this year, this demand has been declining. This affects painfully the special industry. But this does not mean that that industry has little to do.

As already mentioned, a growing role is played by civilian production, which in 1988 accounted for 62 percent of the overall value of the output of the special plants, with three of these plants (Bumar-Labedy, Radwar, and Warel) exceeding this index. Owing to the decline in orders for military equipment, the "S" plants have begun to try to obtain orders from construction, transport, industry, and, above all, the consumer goods market. Foreign trade enterprises have been asked to explore the possibilities for utilizing reserve capacity. The structure of investments in this sector has been altered so as to serve civilian production. The managers of the plants classified as belonging to the defense industry have been given a free hand in utilizing their general machinery pool and skilled workers.

According to the estimates of the Ministry of Industry, this year the output of "S" plants for civilian purposes will increase by 109 billion zlotys, of which by 48 billion zlotys for the production of consumer goods, and next year it will increase by 107 billion zlotys plus 40 billion zlotys in consumer goods. But here, too, as in other industrial subsectors, the expansion of the output of consumer goods is being hobbled by material shortages, gaps in coproduction, and scarcity of foreign exchange. This concerns such scarce goods as bathtubs, enameled ware, drainboard-type sinks, household appliances, sewing machines, kitchen gas ranges, gas heaters, aluminum ware, television sets, garments, and tents. Their output could have been greater had the special plants received more foreign exchange, ceramic glaze, sheet-metal, plastics, copper pipe, semiconductor elements, kinescopes, and wool and cotton fabrics. This cursory list shows that the special industry suffers from exactly the same problems as the remainder of our economy.

The efforts made by the special industry may be demonstrated by the following list of the consumer goods whose output was to increase this year: meat grinders, robots, minitractors, coffee grinders, camping trailers, motorbike engines, toasters, central heating boilers, various kitchenware, gas cylinders, automotive fire extinguishers, adhesives, foils, styrofoam slabs, floorings, plastic windows, windshield-wiper circuits, auto alarms, radiotelephones, audio and videotape recorders, radio receivers, safety belt fasteners, and others.

At the same time, this year alone the manufacture of many new products is planned at the plants in the "S"

category, among others: microprocessor-type digital control systems for machine tools, extinguishing chambers for mines, truck-mounted cranes, steering gear, injection pumps, hoists, refrigeration equipment, dump trucks, cisterns, etc.

Can the military patch up the gaps in the consumer goods supply with which we are dealing daily? Yes and no. Yes, because it has the technological capability and spare production capacity.

No, because certain circumstances not conducive to excessive enthusiasm have to be considered. First, given the current state of technology, production lines are geared to particular products. Where tanks are manufactured, one cannot with a wave of one's hand switch the production overnight to that of children's toy wagons. And if that is the intent, this requires substantial investment outlays, whereas we are about to curtail them.

Another matter is specific defense needs. Were a technological line for the production of ammunition casings to be converted to manufacturing, say, coffee mugs, which is technologically feasible, such a line would get decapitalized with time. If, God forbid, the need were to arise to drastically expand the output of ammunition, then there would be nothing to produce it with.

Moderation and common sense should be retained as regards the production of armaments. In many countries, and in the industrially most developed ones at that, this kind of production, or rather arms export, is viewed as a business card opening the doors to industrial opportunities and, above all, to excellent business deals. There is no reason why the Polish armaments industry should be viewed differently, even if it now largely operates for the needs of civilian production. In this domain we have good traditions—just consider our aviation industry—and there is no reason these traditions should be abandoned.

## GERMAN DEMOCRATIC REPUBLIC

## Statistics Provided on Rail Electrification

23000226 East Berlin EISENBAHNPRAXIS in German  
Vol 33 No 4, Jun 89 (signed to press  
15 Jun 89) pp 139-140

[Article by Siegwand Hempel, GDR Ministry for Transportation, Governmental Officer for Railway Electrification: "GDR Railroad System Electrification as Important Intensification Component"]

[Text] The basis of efficient shaping of GDR transport is the assumption that the railroad and inland waterway shipping, given comparable conditions, are the carriers which are the most economical in terms of energy and and the most cost favorable. Intensification requirements established the objective of expanding the railroad into the dominant carrier and increasing its share in the volume of freight traffic to an economic optimal level. Given the general economic minimizing of transport costs, the GDR railroad (DR) consequently had to be prepared to assume additional transport volume, to be generally prepared for a further increase in capacity. The most important requirement and even a precondition for smooth technical operations which meet transport requirements are, as always, reliability and quality.

A decisive prerequisite for this was included in the resolutions document from the 10th SED [Socialist Unity Party of Germany] Party Congress focusing on electrifying the heavily loaded railroad system. Intensification effects are the result of:

- the higher performance of electric motive tractive units in respect to train mass and speed and their short-term higher capacity to develop all capacity reserves in the system;
- the possibility of employing all sources of energy raw materials for traction;
- decreased maintenance costs for tractive units.

Not least the working and living conditions of railroad workers are improving and harmful effects on the environment continue to be eliminated.

By the end of 1980, 1,280 km of the 14,000-km DR system were electrified. In particular, system electrification included the southern bezirks of the republic. The southern industrial locations were linked with the central bezirk cities by electrified main lines. A beginning was made by electrifying the Leipzig-Berlin and Dresden-Berlin main lines. Based on the historical development of railroad power systems in central Europe, as a result of a May 1952 international treaty the final decision in respect to single-phase 15 kV [kilovolt] 16 2/3 hertz alternating current was also made by transferring extensive pieces of equipment of electric traction and 185 electric locomotives from the USSR to the GDR. The

only source of railroad power available until the beginning of the 1960's was the Muldenstein railroad power plant; it was then expanded by the Karl-Marx-Stadt and Dresden power converter stations using imported asynchronous-synchronous converters with a capacity of 2 x 33 MVA [megavoltampere] and 2 x 40 MVA, respectively, including the DR's own 110-kV overhead transmission line as a "central network."

At the end of the 1960's construction of decentralized power converter stations was initiated using the model of the 10 MVA synchronous-synchronous converter which was developed by the VEB [state enterprise] Sachsenwerk, Dresden. The decentralized power supply for the DR relies on the large capacity supply in the GDR's national power system; it achieves more favorable economic results from producing power in concentrated large plants and because of the close interconnection within the national network it offers a high level of supply reliability.

Since 1981 industrial and DR construction and assembly enterprises which were integrated in the program to electrify the system had constantly striven to create from their own economic production the conditions for electrifying up to 300 km of electrified routes per year. This order of magnitude was first achieved in 1985. In this period Berlin was connected to the electrified system in the south of the GDR by means of the Dresden-Berlin and Leipzig-Berlin main lines and the first north-south through connection resulted from the Dresden-Berlin-Rostock main line. In 1987 it was possible to complete electrification of the Magdeburg-Schwerin-Wismar main line which was started in 1984. And since May of this year, following electrification of the system on the island of Ruegen, even the third main line to the Baltic Sea coast, namely the Berlin-Stralsund-Mukran/Sassnitz line, was totally electrified for traffic.

In the 1986-90 5-Year Plan period a start was also made on electrifying the system in the Cottbus brown coal district and connecting it with the rest of the electrified system. This project will be finished in 1990. On 30 September 1989, it will be possible to put the 2,000th km of electrified track since 1981 into operation at the Cottbus main railroad station by virtue of the Luebbenau-Cottbus route. At the same time this also involves the 2,000th km of electrical track since the establishment of the central youth project to "electrify railroad routes."

It was and still is a priority task to make optimal use of the electrified system as well as the newly electrified routes in order to have the highest possible economic impact. The results which have been achieved in this period of time justified the high economic cost for electrification measures. While in 1981 scarcely 20 percent of traction volume was produced on the DR route system with only 9 percent electrification, in 1988 on about 22 percent of the routes 48 percent of traction volume was achieved using electric tractive units.

Route electrification between 1981 and 1988 made it possible not to use about 1,000 kilotons of diesel fuel for traction and to save M1.4 billion in costs. From 1980 to 1988 it was possible to reduce absolute energy consumption for all DR traction by 20 percent while simultaneously achieving a 10-percent increase in traction capacity.

The results justify continuing the electrification program even in the 1991-95 5-Year Plan. Electrification will focus on supplementary and redirection routes in the system which has already been electrified. Current calculations indicate that by electrifying 6,500 km of the system, on which approximately 80 percent of traction capacity is done with electric traction, the limit of the merit of electrification in the DR's railroad system will be reached.

The investment costs for building permanent installations for electric traction and for acquiring the necessary electric tractive units will require a large share of the DR's investment volume and are very material-intensive. From 1981 to 1988 for permanent installations and the acquisition of electric tractive units they amounted to roughly one-fourth of the DR's investment volume. This high level commitment requires that the facilities be built with a high degree of reliability, safety, and availability and that at the same time, given these assumptions, all possible means to reduce costs and to save materials be utilized. That is an internal intensification and optimization task inherent in the rationalization program which is designed to electrify railroad routes.

Consideration of the ever-present complexity of the tasks stemming from this results in the following five problem areas for further scientific-technical development in the facilities for electrifying locomotive haulage under the conditions of the DR:

- To minimize disruptions in railroad operation, the further development of installation parts and connecting elements of the contact line facility is an ongoing task in order to increase their reliability and resistance to wear if comparable materials are employed. This must include ease of assembly and maintenance of the parts of the facility and the substitution of key materials. The development and use of new rail insulators and section insulators in particular are aimed in this direction, as are the use of molding technology and the development of the standard system of prestressed concrete contact line poles, including preassembly of the attachments and internal grounding.
- Another key issue is the new development of electro-technical equipment with microelectronic control. This concerns the development and use of new components for power electricity and power electronics in order to reduce plant construction parts and the necessary construction shells which at the same time are a

prerequisite for high-grade reuse programs for sub-components of the rail power supply, such as switch and coupling points.

The impact of introducing microcomputer-based controls and systems in the rail power supply system consists of:

- increasing the reliability of the affected components and attachments, including safety devices;
- relieving service personnel from routine switching activities and extensive elimination of the subjective element in increasing the safety of the overall system;
- greater flexibility, availability of the plants for optimal energy savings in the railroad power network.

The last-mentioned objective also includes topics that, when realized in a comprehensive manner, guarantee optimal parallel operation of power converter stations involving components for:

- Increasing the short-term capacity of the converters
- General utilization of characteristic switching
- Efficient electronic contact line protection. With the comprehensive finishing and introduction of these developments, we can expect additional investment savings with guaranteed availability and safety of the railroad power supply plants.
- Given the conditions of the heavily used railroad network, there must be expectations of optimal maintenance designs to ensure the reliability of the contact line systems. This includes development of a modern diagnostic technique that even in brief applications guarantees reliable results, and a computer-assisted data recording and evaluation system that builds on these, with the goal of condition-based maintenance.
- With the constant high transport requirements on the DR and the simultaneously necessary extensive measures to stabilize the rail network, special importance is attached to using very efficient construction and assembly technologies on the routes. Efforts in this direction focus on minimizing the amount of time needed for track closure and on making increased use of opportunities to work outside the tracks. This is accommodated by implementing very efficient uniform foundation technologies for the rather quick production of complete sections of track. At the same time there must be further work on developing small devices, which can be quickly put in place, for contact line assemblies and maintenance.
- Even greater attention must be paid to all facets of applied research and basic research which will result in improved economic solutions to prevent electromagnetic influence. To an increasing degree adaptation of technical safety and information facilities to guarantee smooth operation will become a key issue in electrification. There will be a need for objective



methods of evaluation and defining the necessary measures and their unconditioned scope. This definition is a prerequisite for being in a position to guarantee in a comprehensive way the correct decisions relating to the use of the capacities in the overall complex of modernization of technical safety and information facilities of the DR's rail system. The development of microelectronic clear track signal stations and the introduction of digital transmission and long-distance data transmission, including the introduction of light-wave conductor technology, must also aim in this direction.

Decisive for the further scientific-technical development in electrifying railroad routes is the high-level definition of objectives based on the requirements for:

- a high degree of safety and reliability of the facilities with optimal maintenance strategies;
- minimizing energy consumption with a high level of supply continuity;
- lowering costs and savings of key materials in the investment process, and jointly struggling to identify results whose economic impact will match the common goals.

## HUNGARY

### U.S. Investment Company To Purchase Hollahaz Porcelain

25000475d Budapest NEPSZAVA in Hungarian  
21 Sep 89 p 3

[Text] According to plans, the Hollahaz Porcelain Factory will be changed into a stock corporation, and 100 percent of its stock will be purchased by an American investment company organized by The Riverside Co. of New York. With the transfer of ownership to Americans, less Hollahaz porcelain will be sold in Hungary, but the factory guarantees continued satisfaction of its customer needs for those who liked or collected its products.

### U.S.-Hungarian Enterprise Fund Progress Report

25000484b Budapest FIGYELO in Hungarian  
28 Sep 89 p 3

[Text] As reported in FIGYELO No 26, 1989 ("Will There Be a Hungarian Incubator System?"), the International Management Center has initiated the establishment of an Entrepreneurial Development Foundation (VFA) supportive of various forms of small private enterprise. This initiative also contributed to President George Bush's announcement of a \$25 million fund to support small enterprise initiative. The announcement came during the President's visit to Budapest, and was subsequently approved by Congress.

The time period that has transpired since the President's visit has proven long enough to make clear that a close cooperative relationship must be established between

the future American fund, and the foundation to be financed from Hungarian capital contribution. The American fund will be directed by a council composed of representatives of the U.S. government, American business, and higher education. Hungarian specialists will be involved in the council's work, according to Mark Palmer, the U.S. Ambassador to Budapest. Similarly, the VFA board will be represented in the managing council of the American fund. Most certainly, the managing director of the American fund will be an American investment banking specialist. The fund will be managed by Citibank, it was said. Although the \$25 million fund may be regarded as a gift, its utilization must be consistent with business principles. If this undertaking proves to be successful, it is possible that other countries, such as Finland, Japan, or South Korea, will establish entrepreneurial funds similar to the American initiative.

Establishment of the VFA was delayed by prestige controversies among potential participants, and because several issues related to the functioning of the VFA were unclear. Hopefully, the Hungarian foundation will be established in the near future with a relatively modest capital contribution of about 31 million forints. Nevertheless, the choice of the person to manage this fund—not an incidental matter—is still pending. And still to be clarified are the principles by which the future board will utilize the income earned by the fund, as initial capital to start up new entrepreneurial ventures; the manner in which they will stimulate the attraction of personal savings; the proportion of the money to be used for the financing of growing small enterprises, etc. Similarly, the extent to which VFA actions are supposed to serve as subsidies, as compared to profit oriented investments, must also be clarified.

The International Management Center is establishing a chair to support VFA activities, according to a statement by USIA Director Bruce S. Gelb, during his visit to Budapest.

### Entrepreneurial Development Foundation—Member Organizations (as of 18 September)

	Amount of Contribution (in forints)
Ministry of Finance	6,000,000
Ministry of Industry	5,000,000
National Association of Small Tradesmen (KIOSZ)	5,000,000
National Technical Development Committee (OMFB)	5,000,000
National Federation of Artisan Cooperatives (OKISZ)	2,000,000
National Free Organization of Retailers (KISOSZ)	1,000,000
Hungarian Economic Chamber	1,000,000
State Insurance Supervision	500,000
National Association of Entrepreneurs	100,000

**Entrepreneurial Development Foundation—Member Organizations (as of 18 September) (Continued)**

	Amount of Contribution (in forints)
Hungarian Banking Association (pledge)	3,000,000
Ministry of Agriculture and Food (pledge)	3,000,000

The University of Economics participates by contributing its infrastructure and administrative services.

**Soviet, Czech Efforts To Reduce Hungarian Trade Surplus**

25000484c Budapest NEPSZABADSAG in Hungarian  
30 Sep 89 p 5

[MTI report: "Soviet Union To Deliver More Heating Fuel and Energy; Soviets Blame Hungary for Delayed Transition to Convertible Currency Settlement"]

[Text] Beginning on 1 January 1991, the Soviet Union is prepared to adopt convertible currency-based settlement in Hungarian-Soviet trade transactions. Although negotiations to place Hungarian-Soviet mercantile trade on new foundations are in progress, the Soviet party believes that the Hungarians are the ones who are delaying the decision, claiming that Parliament and the government must first approve the idea, according to a Friday statement by Eduard Koshubuko, Soviet deputy commercial representative, made to MTI [Hungarian Telegraph Agency] reporters in Budapest.

Speaking of Hungarian-Soviet mercantile trade, the deputy commercial representative said that this year's projected volume amounts to 4.3 billion rubles per side, but it is likely that this volume cannot be achieved. The amount of Hungarian trade surplus has already reached the 580 billion ruble level. Both parties are making an effort to reduce the amount of surplus to 170 billion rubles by the end of the year. For this reason—and this is well known by the Soviet partners—the Hungarian Ministry of Commerce has barred advance export deliveries, and has begun to search for new procurement sources in the Soviet Union. Hungarian trading offices in the Soviet Union are also involved in this effort. By the end of the year the Soviet party will try to influence the trade balance by making supplemental deliveries. They will deliver more heating materials and energy to Hungary. The Soviet party temporarily suspended Soviet tourism to Hungary to help reduce the substantial Hungarian trade surplus.

Soviet exhibitors at the Budapest International Fair signed contracts amounting to only 60 million rubles. Of this amount, 44 million rubles represent purchases and 16 million rubles account for sales, according to a final report submitted by the exhibitors. The reason for this is that, responding to import liberalization, Hungarian

foreign traders are manifesting less interest in Soviet consumer goods, even though these products are less expensive than similar Western products.

At a Czechoslovak press briefing Vladimir Lavo, the Czech exhibit director, said that political differences and the dispute over the construction of the Bos-Nagymaros power plant did not affect Hungarian-Czechoslovak trade and economic relations. The truth of this statement is also reflected in the results accomplished at the fair, Lavo added. While a few weeks ago the two countries' trade balance showed a Hungarian surplus of 70 billion rubles, the surplus was reduced by half as a result of contracts consummated at the fair. Lavo also said that pending a price agreement 10,000 Skoda Favorit cars may be delivered to Hungary next year.

**Unified Foreign Exchange Account First Week Status Report**

25000486b Budapest FIGYELO in Hungarian  
28 Sep 89 p 8

[Text] We paid a visit to the National Savings Bank [OTP] District 1 branch (Alagut Street) to find out what changes they experienced last week, when the decree concerning unified foreign exchange accounts went into effect.

Anna Hidvegi, the branch foreign exchange division chief, said that far greater interest is shown in depositing funds into unified foreign exchange accounts than during the earlier period of foreign exchange amnesty (1 January through 31 March 1988). Hidvegi also said that large deposits have been typical since the introduction of the new decree. Forty percent of the deposited foreign exchange constitutes long-term deposits, the remaining 60 percent may be withdrawn on sight. About half the sight deposits are withdrawn immediately, meaning that the purpose of the deposit was to legitimize the foreign exchange for immediate use.

Initial concerns that the system would be difficult to manage proved groundless, according to Hidvegi. No internal statistical or bank transfer problems have arisen thanks to mechanized accounting systems. Responding to a question of why the OTP does not account for the expenses incurred in relation to foreign exchange accounts in forints, Hidvegi said that according to the existing contract expenses must be accounted for in foreign exchange. Besides, such expenses are also accounted for in foreign exchange in international practice.

Beginning on 1 October, Konsumex will no longer accept OTP guarantees on funds held in foreign exchange accounts. OTP has received no official notice of this fact, according to Hidvegi. As far as the merits of this matter are concerned, this measure counteracts the purpose of reducing the use of cash.

### Socialist-Sector Investments During First Half of 1989 Reported

25000477b Budapest FIGYELO in Hungarian  
21 Sep 89 p 15

[Article by Dr Ivan Kende: "State Development Institute Report: Close to 100 Billion in Six Months"]

[Text] The people's economy budget, as adjusted during the year by the Council of Ministers, projected between 284 and 287 billion forints (not including general sales taxes [AFA]) for investment projects to be implemented by socialist organs. By the end of the first 6 months of the year, 98 billion forints were spent, one-fifth more than in a similar period the previous year.

Central investments continue at a reduced rate this year. Last year almost one-fifth of the available investment funds were spent on centrally authorized investments.

The lower limit of the projection is about 22 percent higher than the total of last year's actually completed investments. The increase may be seen primarily in regard to enterprise investments (35 percent). As compared to last year, only 9 percent more money may be used for centrally determined investments, while funds to be invested by councils are 16 percent less.

As part of the centrally determined investments, only 5 percent more than the previous year's actual investments may be spent on large investments. Three-fourths of the projected amount will be concentrated in six ongoing investment projects; the remainder is related to planning and preparation, and to the preservation of existing investments.

The annual rate of investments by target categories is 9 percent higher than the 1988 outlays. The increment enhances primarily the development of the hydrocarbon industry and the electrical energy and telecommunication networks.

As compared to last year's fund utilization, the possible financing of other central investments represents an 11-percent increase, primarily aiming for the realization of health care, higher education, and research objectives.

Enterprise investments will be funded by an amount that is one-third higher than last year's outlays, according to the plan. In spending these amounts enterprises must endeavor to perform mainly those development projects which enhance structural transformation.

Sixteen percent of the investment funds projected in the 1989 plan may be financed from central resources (funding by the state budget, basic funding, loans provided by the state). Last year's plan provided central resources for one-fifth of the investment outlays.

The change in the composition of resources applies to investments determined at the central level. Projected financing from central resources dropped by 9 percent, and by 15 percent in investments by target categories. Within these investment projects, budgetary funding

provided directly, with no obligation to repay, declined most forcefully. The annual rate of investments subject to central decisions was supported last year by the state budget to an extent of 47 percent. This year the support level is 37 percent, after taking into consideration withdrawals and reallocations.

During the first half of the year socialist organs spent one-third of the funds shown in the updated people's economy projection for investment purposes. Outlays in all areas increased as compared to the same period last year. The rate of such outlays is highest (24 percent) with regard to enterprise investments, and is smaller with regard to central and council investments (17 and 11 percent, respectively).

As of the end of June, central large investments had consumed 6 billion forints out of the 11 billion forints projected for the year. This amounts to about 1.5 times more than the amount spent in a similar period last year. Four-fifths of the funds utilized were spent on ongoing projects, while one-fifth was spent on planning and development, and on the large investments that are to be preserved. Eighty percent of the amount was spent in relation to two significant investments (planning and preparation of the continuation and expansion of phase I of the Paks Nuclear plant, and work that has not been suspended on the Bos-Nagymaros barrage). Thirteen percent of the funds financed the construction of the subway system. The remaining 7 percent was spent on three ongoing large investments (development of coked coal production in Mecsek, Plant No 5 of the Mecsek Ore Mining Enterprise, and the restoration of the Palace at Buda Castle), as well as for the first 6 months' investments in preservation and four development projects in the planning and preparation stages.

During the first 6 months, financial progress in all ongoing large investments was favorable, as compared to available opportunities for fund utilization. Despite this fact, the total picture is characterized by uncertainty and by an insufficiency of resources. Thus, for example, the construction of a subway branch is progressing at a satisfactory pace and is approaching completion, but its placement into service next year is threatened by a lack of funds, because use of the budgetary source projected for this year was further tightened by a Council of Ministers action. (Work performance is unsatisfactory anyway in regard to placing this system branch into service.)

Three-fourths of the 9 billion forints targeted for investments in certain groups were consumed by the hydrocarbon industry, and by the development of the national telecommunications network and the public railroad network.

Compared to the first half of last year, the total amount of outlays increased by 7 percent. Within that increase, however, substantially larger amounts were spent on the target categories of forestry management, the public

roads network, electrical energy network and the Hungarian Postal Service. About 6 billion forints of the 17 billion forints projected for investments were spent during the first semester. This amount corresponds with the base period. More than two-thirds of this amount were concentrated on health care, social, educational, research, and scientific purposes, and on investments related to community services.

In the health-care field, the 410-bed unit of the Albert Szent-Gyorgyi University of Medicine in Szeged constitutes the most significant investment. It is scheduled to be placed in operation this year. Two-thirds of the funds spent for cultural purposes relate to higher education, while one-fifth of the amount benefits public education. The largest investment financed by this ministry is the chemical laboratory of the Lorand Eotvos University of Sciences TTK [abbreviation unknown] to be completed by the opening of the academic year.

Constructing sewage treatment plants in eight large cities is the task of the Ministry of Environmental Protection and Water Resource Management. Five sewage treatment plants (Esztergom, Győr, Komárom, Tatabánya, Óroszlány) are related to the Bos-Nagymaros Barrage System. The ministry deems completion of these investment projects necessary in the interest of protecting existing water resources and the environment, even if the large investment is permanently abandoned.

Of the 25 billion forints projected in the annual plan, councils spent approximately 12 billion forints on investment projects during the first 6 months of the year. This represents 10 percent more than at this time last year. Almost one-third of this amount was spent on the

development of personal and business services. The plan calls for the construction of a total of 4,000 apartments in 1989, mainly as a result of investments made by councils. Of these apartments only 800 were delivered by the end of June. Councils used almost half of their investment funds for the development of educational and cultural facilities, and for the enhancement of health care and social service provisions.

During the first half of the year only 65 billion of the 202 billion to 205 billion forints projected for enterprise investments in 1989 were spent.

This exceeds the amount utilized in the same period last year by 25 percent. As compared to the base period, more funds were spent on investment projects in the foundry, construction, building materials, chemical, electrical energy, machine, food, and light industries, as well as in the areas of domestic commerce and water resource management. On the other hand, investment spending in agriculture and transportation development declined.

Amounts spent on machinery imports payable in currencies other than rubles increased significantly (by 150 percent), overwhelmingly in the framework of World Bank credits, and because of the increasing rate by which developmental subsidies and loans targeted for increased convertible currency exports were utilized.

As of the end of June, business organizations had taken advantage of 12 billion forints in bank loans, and 6 billion forints in the form of state subsidies for purposes of implementing enterprise investment projects. Compared to the same period last year, credit financing increased by 20 percent, while the utilization of state subsidies doubled.

**Investment Outlays by Socialist Organs, Without General Sales Taxes, According to Decisional Authority (in current prices, in billions of forints)**

Decisional Authority	1989 First Semester Outlays	1989 People's Economy Plan Projection (lower limit, considering resource reduction measures implemented by the Council of Ministers)	1989 First Semester Fulfillment in Percentages of:	
			The Annual Plan	Base-Period Outlays
Large investments	6.1	11.1	55	166
Target category investments	9.0	29.1	31	107
Other central investments	5.9	16.7	35	100
Total central investments	21.0	56.9	37	117
Council investments	11.6	25.3	46	111
Enterprise investments	64.9	201.8	32	124
Total investments by socialist organs	97.5	284.0	34	121

### Economic Chamber Opposes Party Presence in Enterprises

25000475a Budapest NEPSZAVA in Hungarian  
19 Sep 89 p 4

[Text] The Hungarian Economic Chamber Presidium unanimously approved a statement demanding that the party remove itself from the economy. At its meeting held in Buda Castle, Chamber Vice Chairman Ilona Tatai, a member of the Hungarian Socialist Workers Party [MSZMP] Politburo, brought up the issue which in these days occupies the forefront of public attention. Tatai, a politician who works as president of Taurus, explained that the management of firms would be rendered impossible if party struggles slowed down and disturbed economic decisionmaking. This type of tug-of-war must be prevented once and for all.

Debate on this issue began only after Andras Gabor, Chamber chairman and Tungsram, Inc. president, proposed that the presidium's statement include a provision by which the MSZMP provides guidance in the removal of party organizations from enterprises. Adam Angyal, chamber presidium member and Budapest 13th District MSZMP Committee secretary, opposed this provision most vehemently. Angyal, a party leader who works as president of Ganz Danubius, felt that it would suffice for the chamber to urge the removal of the party from enterprises, without specifying how to accomplish this.

In regard to other matters—seemingly formalities—the chamber stood on the side of renewal. There was confusion over how chamber leaders should address each other. Part of the presidium felt that “comrade in arms” [the old military address] would be a useful way of addressing each other, while the other part voted for the use of the term “comrade in fate” [the way Jews referred to each other in the aftermath of World War II]. But only half of this matter was a joke. Chairman Gabor announced his own decision, saying that in the future he would use the term “ladies and gentlemen,” (and would leave the term “comrade” to address party meetings).

The presidium meeting almost drowned in repetitious verbosity. It nevertheless clarified the fact that the chamber, as the employers' interest group, would adjust the organization to suit itself to a market economy based on mixed ownership. A point of difference was that for the time being membership in the chamber will not be made obligatory, although this would be self-evident in the West. Hosiery Factory President Mrs Bela Szurovecz proposed that in the interest of refreshing the chamber presidium, retired directors should leave the presidium, and the chamber should not fill their places.

Several chamber leaders urged that the general meeting be scheduled earlier, that it be held this year, not next year.

Peter Lorincze resigned from his post as executive secretary. He will become commercial counselor in Rome. Competition will be announced for the post; in the

meantime Dr Laszlo Fodor, the deputy executive secretary, will serve as acting executive secretary.

Responding to a NEPSZAVA question, Fodor said that he anticipates clashes with trade unions primarily in regard to strike issues. The interests of employers and of employees are direct opposites on this issue. With life becoming more difficult, conflicts between enterprise collectives and management will become more pronounced. He is counting on the same to occur within the National Interest Reconciliation Council.

### Workers' Council Formed at RABA-Mosonmagyaróvár

25000477c Budapest NEPSZAVA in Hungarian  
26 Sep 89 p 5

[Unattributed article: “Breaking Off From RABA: Workers Council Formed in Mosonmagyaróvár”]

[Text] A provisional workers council was formed on Monday [25 Sep] at the Magyaróvár Agricultural Machinery Works of RABA Hungarian Railroad Car and Machine Factory. This action was foreshadowed by a Mosonmagyaróvár trade union official's statement, saying that the factory's workers felt uncertain about their future. The statement appeared last week in the county party newspaper KISALFOLD, published in Győr. The reassignment of workers from the Magyaróvár plant to Győr—a step that has been taken several times before—served as the basis for the statement. Beginning on 1 October, 106 Mosonmagyaróvár workers would have to commute to Győr, according to a directive issued by the large enterprise. All this is taking place because the enterprise is unable to provide work locally.

RABA president Ede Horváth responded to the statement published in KISALFOLD. He summarized his view by saying that he would bow to the will of the collective if Mosonmagyaróvár plant workers decide to manage their future affairs independently. He would not like to do this, the president said, because the plant has great problems finding work, and under such circumstances he would not consider it morally correct to leave the plant to its own.

Mosonmagyaróvár workers were called to a workers' meeting yesterday morning. About 800 workers from the day shift appeared in the plant dining room. Ferenc Augusztin, head of the No 2 factory unit, reported the plant's intention: If a majority of the workers so decide, a 23-member provisional workers' council will be elected. He requested authority for the provisional workers' council to negotiate with RABA management as to the path the renowned Mosonmagyaróvár Agricultural Machinery Works should choose. Of those present, 789 voted to form a workers' council. There were 14 negative votes. Participants at the conference will perform compensatory work on Wednesday and Thursday for the time spent at the workers' meeting and on voting in the afternoon.

The provisional workers' council established contact with RABA management. According to an agreement reached, representatives of the provisional workers' council will take part at the council meeting of the large enterprise. That meeting is supposed to decide the fate of the Mosonmagyaróvár factory.

### Stock Purchase Plan To Spur Agricultural Production

25000484a Budapest NEPSZABADSAG in Hungarian  
4 Oct 89 p 7

[Interview with Janos Eleki, National Council of Producer Cooperatives executive secretary, by Benedek Toth: "Milestone in Agricultural Policies: Stock Corporations Based on Producer Interests Being Formed"; date and place not given]

[Text] And old wish of agricultural producers may be coming true. According to the Law on Transformation adopted this year, if a food industry enterprise transforms into a stock corporation, half the stock may be acquired under favorable terms by farms which supply wheat, meat, milk, etc. to these corporations. The price of stock thus acquired may be repaid in the course of several years from dividends. Finally, for the benefit of everyone, production, processing, and sales will be closely linked. Interest motivated by better incentives will prevail throughout the production chain. We asked Janos Eleki, National Assembly Representative and National Council of Producers Cooperatives [TOT] executive secretary, about new possibilities under the law, and the necessary steps to be taken. Eleki was the chief sponsor of this milestone legislation in Parliament.

### On Separate Paths

[NEPSZABADSAG] What was the reason for including the introductory provision of the Law on Transformation?

[Eleki] A brief historical review is unavoidable. State food processing and wholesale enterprises were already functioning when the overwhelming majority of producer cooperatives were formed between 1959 and 1961. Production, processing, and sales traveled separate paths as a result, and became separated from each other. Much confusion persisted. During the initial years of the 1968 reform it became apparent that something had to be done about the disjointed situation. As a first step the two ministries—the Ministry of Agriculture and the Ministry of Food—were merged. The operating divisions of the two previously separate ministries moved to the same building, but opponents of reform did not sit idly by. Therefore no substantive changes occurred out there, in the productive sphere.

[NEPSZABADSAG] In certain places they tried a program to expand food processing. Didn't that help?

[Eleki] It helped somewhat. Mostly the state farms were able to take advantage of these opportunities; they did

make an effort to stand on their own feet. Producer cooperatives, on the other hand, were not strong enough. Even today their achievement amounts to contributing only 11 percent of the processed food.

A repeated, and indeed thought provoking, counterargument surfaced. According to this idea it was superfluous and senseless to develop, for example, a new cooperative and state farm grain industry, alongside the state grain industry and at high cost. The proper and beneficial solution would have been a meeting between state food industry enterprises and agricultural producers in the framework of joint companies, stock corporations. Ultimately, the opportunity for this form of cooperation came about only after many years, as a result of the Law on Transformation adopted this year.

### Comprehensive Interest

[NEPSZABADSAG] What is the essence of the stock purchase opportunity you mentioned?

[Eleki] The Grain Trust will become defunct as of the end of this year. It is expected that county enterprises will be transformed into stock corporations. Farms which supply these stock corporations may purchase half of the stock to be paid for in installments from dividends. These farms could purchase stock over and above 50 percent of the total stock issued by using their own money, and they will also be interested in processing and sales. In this way producers will be able to sense more directly the quantitative and qualitative demand presented by the market, and will be more responsive to demand. Food supply may become continuous and balanced, and consumer prices may also evolve in a satisfactory manner. By becoming involved in exports, producers may be in a better position to take advantage of emerging opportunities.

[NEPSZABADSAG] There is much talk about stock given away free of charge—about wasting state property.

[Eleki] I denied this charge in my remarks in Parliament. State food processing operations were established mostly from the excessive profits they took from agricultural producers in various ways. But even today, an overwhelming part of cooperatives and state farms do not have enough money to purchase on their own the stock we are talking about. Accordingly, I told Parliament that unless we agree to payments from dividends subsequent to the purchase of stock, we will continue to lack the link between production, processing, and sales. Parliament agreed with this reasoning, and by law provided an opportunity for the establishment of producer owned stock corporations.

### Disturbing Phenomena

[NEPSZABADSAG] So then everything is on the right track. No concern about actions to the contrary?

[Eleki] We may rely on the force of law under any circumstances. This represents a fundamental change as

compared to the past when individual attempts were made. Farms may acquire this stock interest free, in quantities proportionate to their earlier commodity sales and without taking out loans. Thus they can sit at the table and as stockholders will have a say regarding the processing and sale of their produce and livestock. This is how far we are secure on the track. But there are some disturbing phenomena.

[NEPSZABADSAG] Who opposes such stock corporations?

[Eleki] Mainly grain processing and food industry enterprises. They like to appear as representatives of producer interests. If their claim is indeed true, why don't they cooperate in the framework of stock corporations they jointly own with the producers? Why are they trying to dissuade farms from subscribing to stock?

We are pleased that the Ministry of Agriculture and Food agrees with the idea of establishing producer owned stock corporations and that it provides all possible assistance available under the law. Stock corporations dealing in grain serve as the models; they may stimulate cooperation in the meat, dairy, canning, etc. fields. And all this brings us closer to a new agricultural policy.

## POLAND

### Dalimpex: Organizer, Adviser on Leasing, Joint Ventures

26000693b Warsaw RYNKI ZAGRANICZNE in Polish No 86, 20 Jul 89 p 8

[Article by Maciej Tekielski: "Dalimpex Canadian Partnership"]

[Text] If in most Western European countries and the United States there are several Polish capital partnerships involved in servicing trade with a given market, then in the case of more peripheral countries, the usual solution to organizing the market is one strong partnership generally representing the dominant portion of commercial transactions with that country. Dalimpex, operating in Canada, is one such partnership.

In a market like Canada's, which is monopolized to relatively large extent, a strong partner representing the Polish side is necessary. Nor should this create problems for competing Polish suppliers. Director Leon Wzientek notes that in the Canadian market, for example, four of our fabric and clothing firms are operating, and it does not disturb them that they are represented by only one Dalimpex agent. The point is merely to attune their interests effectively so that they do not compete with each other, or at least not excessively.

Dalimpex originated 24 years ago as an undertaking of central foreign trade designed to promote Polish exports to Canada. Dalimpex has seven partners. Dal has the biggest share at 55 percent, Textilimpex has 20 percent

and the remaining five—Confexim, Tricot, Minex, Universal, and Metalexport—have 5 percent each. The partnership's capital totals 500,000 Canadian dollars (CAD), plus unallocated earnings of about 1 million CAD as of the end of 1988. Dalimpex's main office is in Montreal with divisions in Toronto, Vancouver, and Warsaw.

The partnership accounts for about 75 percent of Polish transactions in Canada. Exports carried out through its mediation amounted to 60 million CAD in 1988, an increase of 7 percent from the previous year. It represents 27 exporters, including 22 foreign trade enterprises and five export producer organizations. These are Polad, refrigerators; Gedania, Christmas decorations; Polam, light bulbs; Igloopol and Lackpol, food, and agricultural products.

The leading exporters in 1988 were the following foreign trade enterprises: textiles—Textilimpex, 15.5 million CAD, and Confexim, 7.3 million CAD; other consumer goods—Minex, 5.4 million CAD, Ciech, 4.5 million CAD, Polar, 3.5 million CAD; food and agricultural products—Agrox, 3.7 million CAD, and Hortex, 1.4 million CAD; capital goods and semi-finished metal products—Impexmetal, 2.5 million CAD, and Metalexport, 2.8 million CAD. Textiles are the dominant item in our exports with 44 percent, while other consumer and equipment items are at 31 percent.

Among the most important groups of goods found outside the partnership are products tied by direct PZL [Polish Aviation Plant] cooperation in the aviation and footwear industries. In the latter case, Skorimpex has two customers and sees no need to use an agent. In addition, it is that foreign trade enterprise's policy to establish its own partnerships or agencies.

The firm is achieving fairly substantial returns on its own on the basis of imports from Poland (machine tools, tools, electrical motors, and food and agricultural products) and other countries. The values of sales realized in the manner totaled over 10 million CAD in 1988, an increase of 22 percent from the previous year. Sales of "foreign" goods stem from the fact that the main hindrance to the partnership's growth is the lack of goods from Poland, while additional imports of this kind from other countries allow it to use more effectively the experience of its employees and their trade contacts.

Dalimpex also represents Canadian firms in their exports to Poland. The highest returns are currently being achieved in deliveries of fish and fish products—about 7 million CAD annually. Other deliveries of Canadian goods to Poland will also be organized, mainly technical equipment and materials and components for manufacturing.

Last year the partnership undertook action on behalf of organizing in Poland the manufacture of goods that could be sold in Canada in greater quantities. Director Leon Wzientek basis this approach on his belief in the soundness of the saying, "If you do not help yourself, no one will help you."

Organizing production with an eye toward exports to the Canadian market takes on two forms: the first is to lease machines and equipment for factories in Poland. One project valued at 500,000 CAD is already in the process of implementation. It involves the purchase of machines for an embroidery plant in Kalisz. It should ensure an increase in exports of 250,000 CAD a year. Several more lease arrangements are in the discussion phase. The merit of this option—from the point of view of a domestic plant—is self-financing, because it accomplishes payments through new production. The supplier guarantees credit through Dalimpex's participation.

The other form of organizing production in Poland is advice and participation in joint ventures with foreign capital interests. Dalimpex has already established its own joint venture with the cotton industry in Lodz with capital of 200 million zloty, half of which it will furnish itself in hard currency form. The anticipated increase in exports from this undertaking should total 1 million CAD annually. Other projects, mainly in light industry, are in the process of discussion and preliminary analysis.

#### **Credit Denial to Joint Stock Company IGLOOPOL Explained**

90EP0007b Warsaw TRYBUNA LUDU in Polish  
7 Sep 89 p 2

[Text] (PAP) [Polish Press Agency] In connection with the information published on 6 September stating that the Food Economy Bank (FEB) on 1 September blocked the account of the joint stock company IGLOOPOL, the FEB main office sent PAP the following explanation: Effective 1 September 1989 only payments of credits granted to the former IGLOOPOL Farm-Industry Combine in Debica were halted.

The decision was made on the basis of:

- Order No 93 issued by the Minister of Agriculture, Forestry and the Food Economy, dated 28 June 1989, putting the IGLOOPOL Farm-Industry Combine into liquidation status, and
- the receipt by the bank on 31 August 1989 of an excerpt from the court register of the Regional Court in Tarnow containing the statement that IGLOOPOL Farm-Industry Combine in Debica has passed into liquidation status.

In this situation, until the liquidation action is completed, FEB will honor the settlement's documents pertaining to IGLOOPOL Farm-Industry Combine in liquidation, accepted by the liquidators or issued by them, in the sequence they have established and up to the amount of the funds in the account of the combine in liquidation.

The newly formed joint stock company called IGLOOPOL Federated Farm, Industrial and Trade Plants in Debica, assumed all of the unpaid obligations

of the former combine and submitted documents for the purpose of opening of a bank account in the FEB branch in Tarnow.

The matter is now being settled.

FEB foresees the possibility of granting credits to the above-mentioned company within the limits of its credit rating.

When questioned about this matter, the vice president of the FEB board, Tadeusz Wyszomirski, told the PAP journalist that IGLOOPOL company did not see to it that the new bank account was opened in time, and that after registration it cannot use the former account of the IGLOOPOL enterprise.

#### **Possibility of Petroleum Reserves in Rzeszow Voivodship Noted**

90EP0007a Warsaw TRYBUNA LUDU in Polish  
7 Sep 89 p 2

[Article by Ryszard Zatorski]

[Text] The petroleum in Nosowka near Rzeszow did not explode with the same kind of boom as in Karlin. There was no flame, nor was there a propaganda stir. And everyone continues to be cautious in expressing opinions. Approximately 40 tons of petroleum was extracted and the hole was closed for the dismantling of the drilling equipment. Only then will specialists from the Sanok Petroleum and Gas Mining Plant begin test mining.

Meanwhile, the exploration team from the Jaslo Petroleum and Gas Explorations Plant, which is headed by Czeslaw Gutterch, is already moving 800 meters farther to drill another hole and determine the size of the "underground lake" more closely.

Brigade member Jan Dubis, who has worked in the petroleum sector for 24 years, arrived again with his people from Jaslo to erect a new drilling rig. He also set up the lucky one. Will he have the same good fortune again?

"Before St. Barbara's Day [patron saint of miners, 4 December] my colleagues will begin to drill. May they do as well as they have here."

They hit petroleum at a depth of 3,465 meters, and it was also 75 meters below that. What will the other horizons show? How large an area does this find cover? Gutterch would like it to be at least 20 by 20 kilometers. In what direction? If in the direction of Rzeszow, it would go all the way to the center of the voivodship.

The eruption in Nosowka has already put out of joint the noses of the malcontents who always look cross-eyed at the actions of the Polish petroleum exploration teams. Sure, gas was often found in the area. It was also Gutterch's team that, in Rzeszow itself, on the outskirts, found a large bed of gas from which, as the chief engineer of the Sanock plant, Jozef Sozanski, confirms, 350 cubic



meters of this energy raw material per minute could be gotten. But it is not extracted because it has still not been possible to get official permission.

At that time, that lucky night, Stanislaw Gierula's shift was working. Gierula is a driller and heads up a six-man brigade. His assistant, i.e., driller helper, is Eugeniusz Rutkowski; the rig helpers are Marian Len and Adam Zyglowicz; the hole helpers are Wieslaw Jodlowski and Piotr Turon; and the electrician is Wacław Karas.

"We had attached the formation tester earlier," says E. Rutkowski. "Engineer Szurek, test chief, had also arrived from the Jasło enterprise; it could have been expected that maybe there would be something...."

"The formation tester," explains Gutterch, "is attached in order to speed up the work and determine whether it pays to put on the syphoning pipes. And after geophysical measurements were made it turned out that there was 'something' really there. The oil and gas began to flow in...."

"About midnight this mixture of drilling fluid and petroleum came out," says Rutkowski. "Then petroleum alone."

One can look right there at the brown, thick, sticky liquid. It flowed first into the "handy" container on the drilling rig. Then, as engineer Sozanski from the Sanok Petroleum and Gas Mining Plant explained, it was examined further. After it stabilized, it was found that it has a specific gravity of 0.89; therefore it is heavy petroleum, called asphalt petroleum, with a high paraffin and gasoline content. Oils can be produced from it, but also pure gasoline.

"What is most important," added engineer Sozanski, "is that this is pure petroleum, without sulfur. What next?

We will soon find about, because no later than November we will begin test exploration to establish optimal conditions for extraction of petroleum and gas, the size of the formation, pressure....

"At this time this is definitely the deepest petroleum bed exploited under Polish conditions. Will the carboniferous liming from Galicia, which contains petroleum, turn out to be as productive as the Arabian area? It is difficult to predict at this moment. As always, I am a cautious optimist. It might be easier to predict something after at least a thousand or more tons of petroleum are extracted. Later, this picture, expanded by geophysical studies, should be clearer."

The beginnings were promising. For 8 hours over 40 tons of petroleum flowed out of the bed. Dismantling of the rig and exploitation of the bed while extracting gas was not attempted. That will soon take place. But already we see that if the hole is that productive, it will take only a few days for the half-billion zlotys spent on this hole to be returned.

"The village of Nosowka also looks upon this with cautious interest. Will the petroleum endanger the wells?" asks Wincenty Kawa, who observes this work every day because the road to the oil well runs through his fields. It is raining now, so the dust is not bothersome.... Others look from the little hamlet of Przemiarka because it is precisely in this part of Nosowka that the lucky drilling rig was set up.

"On whose land was this well drilled?" I ask.

"On mine," replies Jan Pizlo, "that is, on my daughter's, because the land is now hers. Her married name is Helena Baran. If I had known that there were going to be such riches there, I would have dug there long ago. I'm joking."